OVERSIGHT OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

HEARING

BEFORE THE

SUBCOMMITTEE ON COMMERCE, MANUFACTURING, AND TRADE

OF THE

COMMITTEE ON ENERGY AND COMMERCE

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

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OVERSIGHT OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

THURSDAY, APRIL 14, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE, MANUFACTURING, AND TRADE,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:00 a.m., in room 2123 Rayburn House Office Building, Hon. Michael Burgess (chairman of the subcommittee) presiding.

Members present: Representatives Burgess, Lance, Blackburn, Harper, Guthrie, Olson, Kinzinger, Bilirakis, Brooks, Mullin, Upton (ex officio), Schakowsky, Clarke, Kennedy, Cardenas, Butterfield, and Pallone (ex officio).

Staff present: Sean Bonyun, Communications Director; Leighton Brown, Deputy Press Secretary; Rebecca Card, Assistant Press Secretary; Karen Christian, General Counsel; Paige Decker, Executive Assistant; Graham Dufault, Counsel, Commerce, Manufacturing, and Trade; Melissa Froelich, Counsel, Commerce, Manufacturing, and Trade; Giulia Giannangeli, Legislative Clerk, Commerce, Manufacturing, and Trade; Jay Gulshen, Staff Assistant; Paul Nagle, Chief Counsel, Commerce, Manufacturing, and Trade; Dan Schneider, Press Secretary; Olivia Trusty, Professional Staff, Commerce, Manufacturing, and Trade; Dylan Vorbach, Deputy Press Secretary; Michelle Ash, Minority Chief Counsel, Commerce, Manufacturing, and Trade; Jeff Carroll, Minority Staff Director; Lisa Goldman, Minority Counsel, Commerce, Manufacturing, and Trade; Tiffany Guarascio, Minority Deputy Staff Director and Chief Health Advisor; Rick Kessler, Minority Senior Advisor and Staff Director, Energy and Environment; Caroline Paris-Behr, Minority Policy Analyst; Diana Rudd, Minority Legal Fellow; Matt Schumacher, Minority Press Assistant; and Andrew Souvall, Minority Director of Communications, Outreach and Member Services.

OPENING STATEMENT OF HON. MICHAEL C. BURGESS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. BURGESS. I will ask all of our guests to take our seats and the subcommittee on Commerce, Manufacturing, and Trade will now come to order.

I will recognize myself for 5 minutes for an opening statement.

Administrator Rosekind, welcome to our hearing this morning. It is always good to have you here. We look forward to your testimony today. There are a lot of important things that we need to discuss,

some things that have changed since our last visit here, with the passage of the highway bill. But we are grateful that you are here today.

Your administration, the National Highway Traffic Safety Administration, was established by Congress in 1970 to reduce deaths and injuries from motor vehicle accidents and help make our nation's roadways safer. The importance of the agency's mission cannot be understated. With 50 million vehicles recalled and a surge in traffic fatalities last year, it is clear that your work as very real and immediate societal and economic implications that affect the lives of virtually every American.

The life-saving nature of NHTSA's mission requires Congress and this subcommittee, in particular, to ensure absolute compliance with federal motor vehicle safety standards and their processes. It also requires us to monitor the agency's ability to keep pace with technology, keep pace with advancements in automotive systems that promise greater safety and mobility. We have seen, over the last few years, failure to comply with safety standards or a misunderstanding of a vehicle construction design can lead to delays in safety recalls, roadway fatalities, and preventable deaths.

Based on our focus on auto safety, we have included many reforms in the safety title for which this subcommittee was responsible of the fixing America's Surface Transportation Act that was passed by Congress last year and signed into law last year. Among those reforms included to the National Highway Traffic Safety Administration was to implement the 17 recommendations issued by the department of Transportation Office of Inspector General, following a comprehensive audit of the agency's internal processes. Those recommendations are intended to improve NHTSA's collection of vehicle safety data so that safety defects can be identified earlier and faulty cars can be removed from the road faster. The recommendations are also intended to help the National Highway Traffic Safety Administration keep pace with complex vehicle technology.

NHTSA has pledged to implement all 17 recommendations by June 30th of this year. Following this hearing, I will send a request for a full breakdown of your administration's progress toward implementing all 17 recommendations.

The recently passed highway bill also contains a number of other measures intended to protect the driving public, including improving NHTSA's safety recall processes, increasing the availability of vehicle defect information to consumers and keeping Congress apprised of the agency's activities through the submission of an annual agenda. Each of these reforms work together to ensure that the agency remains focused and dedicated to its mission of saving lives and that the cars American motorists are driving are indeed safe.

We also must ensure absolute compliance with motor vehicle safety standards and processes from vehicle manufacturers, suppliers, and new entrants into the automotive industry. Their role in advancing vehicle safety and roadway safety is just as critical to the goal of reducing traffic fatalities and increasing safety for all roadway travelers. To that end, the recently passed highway bill contains provisions that strengthen, remedy, and repair obligations

among automakers for vehicles under recall and requires greater accountability from dealers and rental car companies to ensure that consumers driving away from those lots are driving safe cars.

In addition to the implementation of the FAST Act, there is much more to consider today. And I certainly do look forward to discussing the status of the ongoing Takata airbag recall.

Back home in Texas, there was another tragic fatality tied to these airbags. The National Highway Traffic Safety Administration established a coordinated remedy program in 2015 to accelerate the replacement of defective Takata airbag inflators. Despite this program, the take rate, or the percentage of people issued a recall that take their vehicle in for servicing remains low.

Always, I commit to you that we will do whatever possible for the public service campaign to make sure this word gets out to consumers.

I hope to hear about your coordinated remedy program and what additional action NHTSA is planning to solve this problem. I also look forward to discussing how the agency is working with automakers to protect vehicles from cyber threats and how the agency is preparing for the industry's future of crash avoidance technology, vehicle-to-vehicle communications, autonomous cars and beyond.

We provided for a significant increase in resources for the National Highway Traffic Safety Administration in the recently passed highway bill. Some of those are contingent upon meeting some of the performance metrics set forward in the OIG report.

And then finally I would just like to say that you have been good about coming when we asked. You have been good about being straightforward with us in your answers. And for that, I am very appreciative. It just goes without saying everyone should know where their vehicle identification number is located on their car, lower left-hand of the windshield, driver's side doorpost, and that vehicle number can be entered into your database, safercar.gov, safe with an R car.gov and find out if their vehicle has been subject to a recall. It is important information. Our subcommittee vice chair actually had two recalls on his vehicle and it was delineated that way. So, I encourage people to check the car of yourself, for your loved one, or your child, someone for whom you are responsible because it is the responsible thing to do.

[The prepared statement of Mr. Burgess follows:]

PREPARED STATEMENT OF HON. MICHAEL C. BURGESS

The National Highway Traffic Safety Administration was established by Congress in 1970 to reduce deaths and injuries from motor vehicle accidents and to help make our nation's roadways safer. The importance of the agency's mission cannot be understated. With over 50 million vehicles recalled and a surge in traffic fatalities last year, it's clear that the work of the National Highway Traffic Safety Administration has very real and immediate societal and economic implications that affect the lives of virtually every American.

The life-saving nature of NHTSA's mission requires Congress and this Subcommittee in particular, to ensure absolute compliance with federal motor vehicle safety standards and processes. It also requires us to monitor the agency's ability to keep pace with technology advancements in automotive systems that promise greater safety and mobility. As we've seen over the last few years, a failure to comply with safety standards or a misunderstanding of vehicle construction and design leads to delays in safety recalls, roadway fatalities and other preventable incidents.

Based on our focus on auto safety, we included many reforms in the safety title of the Fixing America's Surface Transportation Act that was passed by Congress

and signed into law last year. Among those reforms included direction to NHTSA to implement 17 recommendations issued by the Department of Transportation Office of Inspector General following a comprehensive audit of the agency's internal processes. Those recommendations are intended to improve NHTSA's collection of vehicle safety data so that safety defects can be identified earlier and faulty cars can be removed from the road faster. The recommendations are also intended to help NHTSA keep pace with complex vehicle technology and rapidly advancing automotive systems. NHTSA has pledged to implement all 17 recommendations by June 30th of this year. Following this hearing, I will send a request for a full breakdown of NHTSA's progress toward implementing all 17 recommendations.

The FAST Act contains a number of other measures intended to protect the driving public, including: improving NHTSA's safety recall processes, increasing the availability of vehicle defect information to consumers, and keeping Congress apprised of the agency's activities through the submission of an annual agenda. Each of these reforms work together to ensure that the agency remains focused and dedicated to its mission of saving lives, and that the cars American motorists are driving are safe.

We also must ensure absolute compliance with motor vehicle safety standards and processes from vehicle manufacturers, suppliers, and new entrants into the automotive industry. Their role in advancing vehicle and roadway safety is just as critical to the goal of reducing traffic fatalities and increasing safety for all roadway travelers. To that end, the FAST Act contains provisions that strengthen remedy and repair obligations among automakers for vehicles under recall, and requires greater accountability from dealers and rental car companies to ensure that consumers driving away from those lots are in safe cars.

In addition to the implementation of the FAST Act, there is much more to consider today. I look forward to discussing the status of the ongoing Takata recalls. In my home state of Texas there was another tragic fatality tied to the Takata airbags. NHTSA established a coordinated remedy program in 2015 to accelerate the replacement of defective Takata airbag inflators. Despite this program, the take rate, or percentage of people issued a recall that take their vehicle in for servicing, remains low. Is it time for NHTSA to do a Public Service campaign? I hope to hear about the coordinated remedy program and what additional action NHTSA is planning to solve this problem without further delay.

I also look forward to discussing how the agency is working with automakers to protect vehicles from cyber threats, and how the agency is preparing for the industry's future of crash-avoidance technology, vehicle-to-vehicle communications, autonomous cars, and beyond. We provided for a significant increase in resources for NHTSA in the FAST Act.

With so much on the table, I hope to hear how NHTSA is maximizing the use of these resources. We provided a significant increase in the FAST Act. I have no doubt that NHTSA would like more funds. But funds are scarce and practically speaking I am not sure how much more funding Congress can realistically find.

Administrator Rosekind, we welcome you to today's hearing and I look forward to continuing to work with you to make vehicles and roadways safer for our nation's motorists.

Mr. BURGESS. And I will yield to the ranking member of the subcommittee, Ms. Schakowsky from Illinois for an opening statement, 5 minutes, please.

OPENING STATEMENT OF HON. JANICE D. SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Ms. SCHAKOWSKY. Thank you, Mr. Chairman and I appreciate that really important public service announcement. Seriously, we need to encourage our constituents and our American citizens to do just that.

So, I look forward to hearing today how NHTSA is addressing ongoing and emerging safety challenges. Last summer, I know you Administrator Rosekind were here to testify on the Takata airbag recalls. The fallout from these defective airbags continues, as we know. Toyota announced the recall of another 60,000 vehicles this morning. So, these recalls keep on coming.

Just last week it was a 17-year-old in Texas when her airbag ruptured during a low-speed accident. And consumers are rightly concerned by the expanding class of vehicles impacted by this and other defects that drove 2015 to be a record-setting year for auto recalls.

In 2015, traffic fatalities also increased by nine percent, reversing years of progress. And we just can't have another year like 2015.

NHTSA has made progress in some important areas. For instance, under a new rule, heavy vehicles will be required to have electronic stability control. At the same time, I would like to see more progress in other areas, such as rear seat belt reminders. As we work to improve safety, strong enforceable standards are vital and that is why I am concerned about reliance on non-specific voluntary standards.

The Proactive Safety Principles released earlier this year set out some broad areas for improvement and I agree that the industry and NHTSA should be more proactive in improving safety, examining early warning, reporting data, increasing recall participation and enhancing cybersecurity but I worry that progress in these areas will be limited if we don't have enforceable standards. The lives of drivers, passengers, and those sharing the road are too important to rely on broad principles.

We need to ramp up our approach to safety. I, along with ranking member of the full committee, Mr. Pallone, and several members of the subcommittee have introduced the Vehicle Safety Improvement Act and our bill would increase penalties for violations of safety standards, double NHTSA's safety funding, ensure the public is properly notified of safety problems, and enable NHTSA to better respond when recalls are necessary.

Last year, Congress considered a surface transportation bill. And while I am glad that we finally did pass a long-term transportation bill on safety, this bill, I think, was largely a missed opportunity but we can fix that. Bills like VSIA are what the subcommittee would be advancing if we want to make meaningful progress toward reducing vehicle deaths in addition to current safety challenges, NHTSA and the subcommittee must think about the next generation of vehicles, vehicle-to-vehicle technology and automated driving, have the potential to improve highway safety but there is a lot to test and figure out.

And let me just say that consumer privacy and strong security need to be built in to these technologies from the get-go. And NHTSA needs to be provided sufficient resources to adequately review these technologies before mass deployment.

That gets to a broader point. NHTSA needs adequate funding if we want adequate safety. We get the government that we pay for. And when our consumer watchdogs don't have enough resources, we shouldn't be surprised when they don't keep pace with our safety needs. We need strong standards coupled with the resources to develop and enforce them. And without that, we aren't going to make the progress that we need.

I welcome our witnesses. I look forward to your testimony.

And I yield back, unless someone wants almost a minute. And I yield back.

Mr. BURGESS. The chair thanks the gentlelady. The gentlelady yields back.

The chair recognizes the chair of the full committee, Mr. Upton, 5 minutes for an opening statement.

OPENING STATEMENT OF HON. FRED UPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. UPTON. Thank you, Mr. Chairman.

Auto safety, it is a matter of life and death. Yes, it is. There are not a lot issues as important as keeping Americans safe on the road. Oversight of NHTSA is an essential part of this subcommittee's work in protecting drivers across Michigan and across the country. And with over 250 million vehicles on the road transporting American families every day, today's oversight hearing offers an important opportunity to evaluate NHTSA's efforts in fulfilling its core mission of reducing traffic fatalities and making sure that our nation's roadways and vehicles are indeed safe.

In the past couple years we have seen NHTSA face many challenges. The agency has struggled to collect and take action on meaningful vehicle safety data and major recalls have come sometimes way too late and often with an unclear message on how to fix the problem. We are sadly all too familiar with the tragic consequence of safety failures.

The Fixing America's Surface Transportation Act, signed into law last year, included numerous reforms sponsored by members of this subcommittee to address some of those challenges and improve accountability, transparency, and efficiency at the agency. And I thank Chairman Burgess for his leadership in that effort, and I look forward to discussing the implementation progress of these reforms with the Administrator today.

I would note that while the FAST Act represents a positive step forward in improving auto safety practices within NHTSA and across the auto industry at large, there is still more that can do, and should do. With low recall completion rates, the ongoing Takata recalls, and cybersecurity issues, other reforms and initiatives have to be considered to prevent further tragedies. One problem that we have seen repeatedly is an agency struggling to keep pace with next-generation automotive technologies. Being from the auto state, I understand how innovation and technological advances developed by the auto industry are introducing greater complexities into today's vehicles. It is tougher. It is.

However, it is NHTSA's responsibility and obligation to stay on top of these developments and protect the driving public. Part of the problem is a lack of good testing and research facilities for connected and autonomous vehicles. Facilities like Michigan's American Center for Mobility at Willow Run are critical to policymakers' preparation and understanding of these advanced technologies, with faster consumer adoption. Until we have an accident-and-defect-free vehicle and roadway system, we can never put too much emphasis on safety. And you can't have safety without testing. I want to explore how we can move forward with critical testing facilities like Willow Run which can secure America's continued leadership in advanced automotive technologies but also protect American families on the road.

The automotive industry is vital to Michigan's economy, as well as the country's. It drives innovation, job creation, productivity, and economic advancement. Robust auto safety is fundamental to that progress. We have to continue to work together to enhance vehicle and roadway safety for our nation's motorists.

[The prepared statement of Mr. Upton follows:]

PREPARED STATEMENT OF HON. FRED UPTON

Auto safety—it's a matter of life and death. There are not many issues as important as keeping Americans safe on the road. Oversight of the National Highway Traffic Safety Administration is an essential part of this subcommittee's work in protecting drivers across Michigan and the United States. With over 250 million vehicles on the road transporting American families everyday, today's oversight hearing offers an important opportunity to evaluate NHTSA's efforts in fulfilling its core mission of reducing traffic fatalities and making sure our nation's roadways and vehicles are safe.

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I should note that while the FAST Act represents a positive step forward in improving auto safety practices within NHTSA and across the auto industry at large, there is still much more that can, and should, be done. With low recall completion rates, the ongoing Takata recalls, and cyber security issues, other reforms and initiatives must be considered to prevent further tragedies.

One problem we have seen repeatedly is an agency struggling to keep pace with next-generation automotive technologies. Being from the auto state, I understand how innovation and technological advancements developed by the auto industry are introducing greater complexities into today's vehicles. However, it's NHTSA's responsibility and obligation to stay on top of those developments and protect the driving public.

Part of the problem is a lack of good testing and research facilities for connected and autonomous vehicles. Facilities like Michigan's American Center for Mobility at Willow Run are critical to policymakers' preparation and understanding of these advanced technologies, and faster consumer adoption. Until we have an accident- and-defect-free vehicle and roadway system, we can never put too much emphasis on safety. And you can't have safety without testing. I want to explore how we can move forward with critical testing facilities like Willow Run which will both secure America's continued leadership in advanced automotive technologies but also protect American families on the road.

The automotive industry is vital to Michigan's economy, as well as the nation's. It drives innovation, job creation, productivity, and economic advancement. Robust auto safety is fundamental to that progress. We must all continue working together to enhance vehicle and roadway safety for our nation's motorists.

Mr. UPTON. And I yield the balance of my time to the vice-chair of the committee, Marsha Blackburn.

Mrs. BLACKBURN. Thank you, Mr. Chairman. And we welcome you. We are delighted to have you here before us today.

The chairman mentioned safety. It is of prime importance for us. We know that government can't guarantee 100 percent safety but we know it is a goal we all should be striving toward and we appreciate your willingness to work with us on safer vehicles and a safer environment for those.

Chairman Burgess mentioned the Takata airbag hearing and we look forward to an update on that. We are continuing to look at that and to hear about this issue.

The driverless cars, the vehicle-to-vehicle communication, I am hearing more about that and the automatic breaking systems. We know that these are items that have the potential for saving lives but we want to make certain that those communications are secure, that they are not going to be able to be compromised by malevolent actors. We are concerned about the hackings into these vehicles. So, we want to visit those issues with you.

Chairman Upton mentioned the importance of the auto industry to Michigan, likewise in Tennessee with GM and Nissan, and Toyota. My constituents are concerned about the decisions that you make, the actions that you take, and we welcome you to the committee again and I yield back.

Mr. BURGESS. The chair thanks the gentlelady. The gentlelady yields back.

The chair recognizes the ranking member of the full committee, Mr. Pallone from New Jersey, 5 minutes for an opening statement, please.

OPENING STATEMENT OF HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Thank you, Chairman, for calling this hearing so that we can discuss NHTSA's critical mission of making our roads safer and how Congress can best support that mission. It is an exciting time in the automotive world right now from vehicle-to-vehicle communication, to self-parking cars, to automatic braking. It seems we are in the midst of a major technological shift in the way we drive our cars. And while some may want to focus this hearing on the future of the automobile and I do want to hear that NHTSA and industry have the tools and skills necessary to deal with the ever-changing landscape, but we must address the deficiencies that already are plaguing this industry.

Over the last several years, we have seen massive and highly publicized recalls for general motors ignition switches, Takata airbags, and Toyota unintended acceleration. Unfortunately, 2015 was another record-setting year for auto recalls which erodes the public trust and the underlying defects put people in danger.

Just last night, we learned that yet another death had been linked to a faulty Takata airbag. And while some recalls may always occur, industry must take responsibility for its own failures and do more to prevent safety deficiencies from putting the public at risk. NHTSA also must stay ahead of the curve on safety and that starts with having the willingness and conviction to effect real change, both within NHTSA and throughout the industry.

Last year was not only a record-setting year on recalls, we also, unfortunately, saw a rise in traffic fatalities. According to NHTSA projections, deaths increased 9.3 percent to 26,000 people in the first 9 months of 2015, compared with the same period in 2014. There was also a 30 percent rise in serious injuries in the first half of 2015, compared with the first half of 2014, up to nearly 2.3 million serious injuries.

In January, the Department of Transportation announced an agreement on safety principles between NHTSA and 18 major auto manufacturers. While the agreement covers broad areas of auto safety, it is severely lacking in meaningful details. It is nothing more than an agreement to try to agree in the future. And I also have serious reservations about the closed door process by which this agreement was drafted and finalized and it concerns me that it lacks an enforcement mechanism to ensure that auto makers follow through on their commitments, as vague as they may be.

In the wake of an auto emissions scandal, a climbing recall rate, and rising traffic fatalities, now is the time for greater accountability, greater transparency, and better communication between automakers and the agency charged with regulating them, as well as the public, not just a set of voluntary principles.

Last year, Congress passed a transportation funding bill, the FAST Act. That legislation was a missed opportunity to address accountability, transparency, and communications. It also should have dealt with used car safety, speeding up the recall process, and eliminating regional recalls, among other things.

The Vehicle Safety Improvement Act of 2015, a bill that Ranking Member Schakowsky mentioned and that I co-sponsored last year, would make those changes and a lot more. Our bill is a starting point to make sure that the millions of drivers and passengers on our roads are kept safe.

This year is the 50th anniversary of the National Traffic and Motor Vehicle Safety Act of 1966, the law that created NHTSA with its mission of reducing deaths, injuries, and economic losses resulting from motor vehicle crashes. The Auto Alliance has stated that fatalities, as a share of miles traveled, are down 80 percent since the law's passage but we need to continue that legacy and not move backwards. We are on our way towards incredible advances in the automotive space but we need to ensure that consumers get there safely.

And I look forward to continuing our discussion about how best to move forward on auto safety. Thank you, Mr. Chairman.

Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

And that concludes members' opening statements. And the chair would like to remind members that, pursuant to committee rules, all members' opening statements will be made part of the record.

And again, thanks to all of our witnesses on both panels for being here today and taking the time to testify before the subcommittee. We will have two panels. Each panel of witnesses will have an opportunity to give an opening statement, followed by questions from the members.

Once we conclude the questions on the first panel, there will be a brief, underscore brief, recess to set up for the second panel.

And our witness panel for today's panel includes, on the first panel, Dr. Mark Rosekind, the Administrator of the National Highway Traffic Safety Administration. And Mr. Rosekind, again, thank you. We appreciate your being here today. We appreciate your willingness to be available to members of the subcommittee. We appreciate your making available coming to your facility and looking to

see what you and your fine folks do on a daily basis. You are now recognized for 5 minutes for an opening statement.

STATEMENT OF MR. MARK ROSEKIND, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Mr. ROSEKIND. Chairman Burgess, Ranking Member Schakowsky, members of the committee, thank you for the opportunity to update you on the National Highway Traffic Safety Administration's efforts to save lives, prevent crashes, and reduce the economic toll of fatalities on our roads.

The last year was one of the most eventful in NHTSA's 5-decade history and this year promises to be just as significant.

In road safety, we face a large and tragically growing challenge. We lost 32,675 on American roads in 2014. And as you have all cited, our early estimates show that traffic fatalities appear to have grown up by 9 percent in 2015. I believe that the only acceptable goal is zero traffic deaths. Every American should be able to drive, ride, or walk to their destination safely every time. That is the goal that drives our work.

Earlier this year, Secretary Foxx announced the President's proposed $1.2 billion budget for NHTSA that includes important investment in NHTSA's behavioral safety efforts and for accelerating safety technologies, such as vehicle automation. This funding will further support our efforts to build on the progress we have already made in revamping our defects investigations program. I strongly urge your support for the President's budget proposal.

I am going to begin with a topic that receives far less public attention than it is due—human behavior on the roads. A human choice or error is responsible for 94 percent of all crashes. Through decades of success, we know there are highly effective methods to combat these unsafe behaviors but we also know that simply doing more of the same will not get the job done.

In a series of 1-day traffic safety summits across the country this year, we challenge stakeholders to develop new ideas and innovative approaches to make our roads safer. Those efforts will continue as we develop short- and long-term strategies to eliminate traffic fatalities. NHTSA is also continuing to act on multiple fronts to raise the level of safety in the vehicles that are already on our roads. Through regulation, NHTSA has issued a final rule requiring electronic stability control on heavy vehicles and proposed rules to protect consumers from unsafe novelty motorcycle helmets and to upgrade rear impact guards on trucks and trailers. We are also working on a rule to require the installation of speed limiters on heavy vehicles and a rule on vehicle-to-vehicle communications, a technology that could prevent tens of thousands of crashes every year.

NHTSA is also leading on vehicle safety beyond the regulatory process. Last month, we joined auto manufacturers to announce a historic commitment to put automatic emergency braking in more than 99 percent of all new cars by 2022. This agreement will make this technology standard 3 years faster than if the agency had tried to achieve the same goal only through the regulatory process, preventing thousands of crashes and saving lives.

Our proposed update to the 5 star safety ratings program will put more information about vehicle safety in the hands of car buyers. The updates add tougher crash tests, will for the first time rate vehicles on crash avoidance and will rate vehicles in how well they prevent and mitigate the harm of pedestrian impacts.

NHTSA is leaning forward on autonomous vehicle technology. This year, we will offer manufacturer operational deployment guidance that outlines how autonomous vehicles should perform on the roads. We will work with partners to provide model state policy and we will identify new tools and authorities that NHTSA may need so that we can be sure we meet our goal of encouraging safe innovation.

While we look to the future, we must also maintain our focus on safety today. In 2015, NHTSA initiated a record-setting nearly 900 recall campaigns affecting about 51 million vehicles and we also imposed record-setting penalties.

NHTSA has launched an unprecedented effort to coordinate and accelerate the Takata recalls currently totaling 28.8 million airbag inflators. Our coordinated remedy program issued to Takata and the affected automakers accelerated the recall remedy process by 2 years or more. This is, perhaps, the most aggressive use of the agency's enforcement authority in its history.

While identifying defects and recalling vehicles is an important safety mission, we would prefer to avoid the problems in the first place. In January, Secretary Foxx announced an historic agreement with 18 auto manufacturers on a series of concrete commitments to safety, including targeting 100 percent remedy completion rates. This agreement could change the safety conversation from reactive to proactive, helping us catch issues sooner or prevent them from happening at all.

We were recently, and you have all mentioned this, tragically reminded just how urgent this work is. Two weeks ago today, a 17-year-old driver lost her life after the Takata airbag inflator in her car ruptured after a crash near Houston. The local sheriff said that if it weren't for the rupture, she would have been able to walk away from that crash. The inflator in her vehicle had already been recalled but the repair had not been completed. We all play a role in making sure another tragedy like this just doesn't happen again.

We are going to hear NHTSA talk a lot in the next year about proactive safety, about the need for all of us with a role in protecting the public to make safety our highest priority. Doing so will require new ways of thinking for NHTSA, for automakers and suppliers, for dealers, for safety advocates, and for the public.

I appreciate the opportunity to testify and I am pleased to answer your questions.

[The statement by Mr. Rosekind follows:]

Statement of National Highway Traffic Safety Administrator

Mark R. Rosekind, Ph.D.

before the House Energy and Commerce

Subcommittee on Commerce, Manufacturing and Trade

April 14, 2016

Chairman Burgess, Ranking Member Schakowsky, and members of the committee, on behalf of the men and women of the National Highway Traffic Safety Administration (NHTSA), thank you for the opportunity to update you on our agency's efforts to save lives, prevent crashes, and reduce the economic toll of fatalities and injuries on our roads.

The last year has been one of the most eventful in NHTSA's five-decade history. This year promises to be just as significant. The agency must continue to make progress on encouraging safe behavior on the roads, on improving the safety performance of vehicles, on encouraging automakers to reduce safety defects, and on accelerating the development of safety technologies that promise a revolution in safety unlike any in the history of the automobile. We must keep our eyes on that future while dealing with the very troubling here-and-now fact that traffic fatalities appear to have grown by 9 percent in 2015, erasing years of safety gains.

Every American should be able to drive, ride or walk to their destination safely. Every time. Deaths on our roadways are not inevitable accidents. They are preventable tragedies. The only acceptable goal for roadway deaths is zero. It all comes down to choices: the choice of a driver to get behind the wheel after a night of drinking, or not. The choice of a manufacturer to cut corners on safety, or not. The choice of policy-makers to act in the interests of safety, or not. The 32,675 deaths that occurred on our roads in 2014 should be unacceptable to all of us, and we need to make the right choices to save those lives.

On January 14 in Detroit Secretary Foxx announced the President's proposed 1.2 billion budget for NHTSA that includes important investments in NHTSA's behavioral safety efforts and for accelerating safety technologies such as vehicle automation. The 10-year, $3.9 billion commitment to automated vehicle development may be the most important single investment in NHTSA's history. It represents our best chance to ensure that the astounding advances in technology that we see on the horizon meet their full safety potential. I strongly urge your support for the President's budget proposal. I believe you and your colleagues in Congress will one day be able to look back on your support for that plan as a life-saving legacy, one of the most significant actions you took to fulfill our obligations to public safety.

Today I'd like to outline NHTSA's current activities and immediate plans in four broad areas: Our work to promote safe behavior and reduce dangerous actions on our roads; our work to improve the safety performance of vehicles through regulation and non-regulatory means; our

work to identify and address unreasonable risks to safety through the defect recall process; and our efforts to create a proactive safety culture within the auto industry.

I will begin with a topic that receives far less public and media attention than it is due: Human behavior on the roads. NHTSA research shows that in 94 percent of crashes, a human error or decision is the critical reason for the crash. Whether it is impairment through alcohol, drugs, fatigue or distraction; recklessness and speeding; or other unsafe behavior, our own, human choices are the greatest threat to highway safety.

NHTSA knows through decades of success that there is a highly effective model to combat these unsafe behaviors: strong laws, strong enforcement, and strong education and awareness efforts. Over the last year we have sought to strengthen our use of that effective model. With your support, we have continued high-visibility enforcement efforts aimed at drunk driving, distraction and seat belt use. We launched the agency's first ad campaign aimed at strengthening the resolve of parents to make sure their pre-teen and tween kids buckle up. We launched a new initiative to combat drowsy driving, and convened a summit of some of the most prominent safety and behavioral experts in the nation to review research and plot strategies on distracted driving.

We have also continued to work closely with NHTSA's partners at the state level. As you know, the majority of NHTSA's budget funds safety programs in the states, and NHTSA has worked over the last year to streamline grant applications processes and to distribute funding more quickly once it becomes available. Your action and those of your colleagues in approving the Fixing America's Surface Transportation (FAST) Act has provided much needed certainty for these programs.

NHTSA and our partners in safety can point to decades of success in reducing dangerous behaviors such as drunk driving and increasing safe choices such as seat belt use. But that progress is not a given. In 2015, according to NHTSA's early estimates, traffic fatalities rose by roughly 9 percent. We are analyzing the data to determine the sources of this increase, but we know that historically, economic expansions led to increased fatalities as the amount and kinds of driving that Americans did, changed. But we also know that a 9 percent increase is nearly unprecedented. And so we have resolved to do more.

In February, NHTSA launched a new era of innovation in traffic safety. We held a series of one-day traffic safety events throughout the country to engage our stakeholders and the public on how to meet the challenge of reducing motor vehicle crashes, injuries and fatalities over the next decade. The focus was on identifying new and innovative approaches, and on building and strengthening partnerships. Through collaboration and engagement in our shared safety mission, we can maximize safety benefits. While there are many exciting new developments in motor vehicle technology and automation, driver error remains the primary cause of most crashes

today. To effectively reduce the number of fatalities, we must engage all road users in this effort.

While NHTSA will do all it can to search for solutions, we cannot accomplish this alone. To be frank, it has become clear that in some places, America has taken its eye off the ball on highway safety. Only 14 states prohibit hand-held cell phone use while driving, despite ample evidence that cell phone distraction is killing people. Astonishingly, 22 states still do not require rear passengers to use seat belts. Thirteen states prohibit the use of automated speed enforcement. Thirty-one states have no law requiring helmets for all motorcyclists.

This needs to change, or more Americans will die needlessly. Those who argue that stronger safety laws aren't necessary should acknowledge that they are making a choice, and that their choice is that it's okay for more of their friends, neighbors and fellow citizens to die.

In concert with our behavioral safety efforts, NHTSA has spent the last year moving on multiple fronts to raise the level of safety in the vehicles on our roads. NHTSA's research, regulatory and consumer-information efforts are aimed at continuing the decades of progress in making vehicles safer.

Over the last year, NHTSA has issued a final rule requiring electronic stability control on heavy vehicles, a rule that will save an estimated 50 lives and provide more than $300 million in net economic benefits per year. We proposed a new rule to protect consumers from unsafe novelty motorcycle helmets that do not meet federal safety standards, helmets that leave motorcyclists twice as likely to suffer a head injury as those wearing approved helmets. And we issued a notice of proposed rulemaking to improve truck safety by upgrading current rear impact guards on trucks and trailers.

We believe that these, and other efforts to update the Federal Motor Vehicle Safety Standards, will save lives. But just as strong traffic laws are not enough, by themselves, to meet our goals, we cannot rely on regulation alone to improve vehicle safety. There are simply too many lives at stake – we must use every tool available to us.

Sometimes that tool is simply making a statement. After more than four decades of research and debate about seat belts on school buses, NHTSA last year made the common-sense declaration that, yes, every student on a school bus should have access to a three-point seat belt. Following that statement, a number of states have begun considering not just the wisdom of seat belts, but how to provide the funding necessary to install them. States and local school districts across the country are beginning to demonstrate that you don't have to wait for a federal mandate to protect our children.

Similarly, last year 10 major automakers demonstrated that they do not have to wait for a federal mandate to provide all of their customers with automatic emergency braking (AEB), an advanced technology proven to prevent crashes and save lives. Those 10 automakers all responded to a

challenge from NHTSA and the Insurance Institute for Highway Safety (IIHS), and committed to the principle that AEB should become a standard feature on all their new vehicles. That number grew to 20, and on March 17 NHTSA and the IIHS announced a historic commitment by 20 automakers representing more than 99 percent of the U.S. auto market to make automatic emergency braking a standard feature on virtually all new cars no later than NHTSA's 2022 reporting year, which begins September 1, 2022. NHTSA estimates that the agreement will make AEB standard on new cars three years faster than the agency believes it could likely achieve through the regulatory process based upon the agency's past experience in mandating advanced safety technologies. During those three years, according to IIHS estimates, the commitment will prevent 28,000 crashes and 12,000 injuries.

NHTSA's most powerful non-regulatory safety tool is putting information in the hands of consumers. Since its inception nearly four decades ago, NHTSA's 5-Star Ratings program has protected Americans by helping them learn how well new vehicles will protect them and their families in a crash, and by incentivizing vehicle safety advances with life-saving benefits. A new era of technology innovation promises the most significant changes in vehicle safety since the invention of the car. Today, safety is no longer just about assuming crashes will happen, and protecting us from their consequences. It's about preventing crashes from ever occurring. And the 5-Star Ratings need to reflect that.

So, in December, NHTSA requested comment on its planned new 5-Star Ratings program for this new era. The revisions, which the agency plans to implement in 2018 for Model Year 2019 vehicles, would continue the legacy of pushing crash-worthiness improvements by adding new, tougher crash tests and new crash dummies, including the NHTSA-developed THOR, that will provide far richer data about what happens to occupants in a crash. The program will, for the first time, rate vehicles on crash avoidance as well as crash worthiness. And in response to the disturbing increase in pedestrian deaths on our roads, it will rate vehicles on how well they prevent and mitigate the harm of pedestrian impacts.

The new-era 5-Star Ratings reflect our commitment to accelerate the development of life-saving technology innovations. Our direction from Secretary Foxx is clear: If a technology can protect safety, we will take action to bring it to our roads, and to ensure that it is deployed in order to maximize its safety potential. Two other efforts further illustrate this commitment.

The first is NHTSA's work on vehicle-to-vehicle (V2V) communications. Last year, the Secretary asked NHTSA to accelerate our work on a proposed regulation that would require all new vehicles to be capable of V2V and vehicle-to-infrastructure communications. We met his target and that proposed rule is currently under interagency review. V2V allows vehicles to "see," metaphorically, through obstacles, detecting a vehicle around a blind corner or a commuter slamming on the brakes on a crowded highway. Research by DOT and NHTSA shows that just two applications of this technology, addressing intersection and left-turn collisions, could prevent more than 600,000 crashes, and save more than 1,000 lives each year. Because of

the unique nature of V2V – its safety potential depends on widespread deployment – industry is broadly supportive of a federal role in mandating the technology. NHTSA is working with the Federal Communications Commission and the Department of Commerce on a joint test plan. Private industry and Government need to work together to ensure V2V technology has the clear signal we need to save lives. Your support will be critical in this effort.

Second, NHTSA and DOT are also moving swiftly on autonomous vehicle technology. In January at the North American International Auto Show in Detroit, Secretary Foxx announced a series of steps to meet those goals. The President's 10-year, $3.9 billion commitment is key to this effort. This funding will allow us to pursue large-scale deployment pilots to test autonomous vehicles and connected vehicle systems in designated corridors throughout the country and to work with industry to ensure a common multi-state interoperability framework for autonomous and connected vehicles.

In addition, the Secretary announced steps NHTSA will take to bring our regulatory framework into this new era. NHTSA will use all its available tools to encourage safe innovation. Already, we have used our regulatory interpretation authority to clear the way for technology innovations. For example, NHTSA has issued interpretations to Google, BMW and General Motors regarding automated safety technologies. The Secretary encouraged manufacturers to seek use of NHTSA's exemption authority, under which we can exempt a limited number of vehicles from regulatory standards if they offer the promise of safety improvements.

The Secretary also directed NHTSA to provide, within the next six months, three key products that will help light the way to this new era. We will offer manufacturers operational deployment guidance that outlines how autonomous vehicles should perform on the roads, and how to evaluate their performance; we will work with states and the American Association of Motor Vehicle Administrators to provide model policy to states; and we will identify new tools and authorities that NHTSA may need for this new era so that we can be sure we meet our goal of encouraging safe innovation.

While we are looking forward to the future, we must also maintain our focus on safety today. In 2014, NHTSA issued a record number of recalls for a record number of vehicles. And last year, nearly 900 vehicle recalls were filed with NHTSA, a new record. Those recalls involved more than 51 million vehicles and massive recalls are still a prominent feature of the safety landscape.

As you know, DOT and NHTSA last year launched an unprecedented effort to coordinate and accelerate the Takata recalls. That effort included a public proceeding, which included a public information meeting to outline the state of the recalls and steps the agency was considering under its accelerated remedy authority.

The proceeding included an opportunity for public comment, and NHTSA went to significant effort to solicit comments. NHTSA consulted extensively with auto manufacturers, inflator suppliers and outside experts. The result was the Coordinated Remedy Order DOT/NHTSA

issued on Nov. 3, 2015. That Order, issued to all the affected automakers and to Takata, set Takata recall remedy schedules, accelerating the process by two years or more while minimizing production and design shortcuts that could create new safety risks. The process of designing new inflators so that most replacement inflators are now sourced from suppliers other than Takata, is not simple and entails some risk, as we outlined at the October 2015 coordinated remedy proceeding public meeting. NHTSA also ordered automakers to prioritize the production of remedy parts and their distribution so that the inflators at highest risk of causing injury or death would be first in line for replacement.

This is perhaps the most aggressive use of the agency's enforcement authority in its history and is emblematic of our efforts to restore public confidence in this life-saving technology.

NHTSA has made major efforts in the last year to improve our processes for identifying vehicle defects, and that effort will continue. In January, Secretary Foxx announced a historic agreement with 18 auto manufacturers on a series of concrete commitments to safety. These commitments include, for example, enhancing analysis of Early Warning Reporting (EWR) data and maximizing safety recall participation rates. The proactive safety agreement could change the conversation on safety from one in which we are reacting to issues after they appear, to one in which we are catching them sooner or preventing them from happening at all; it has the potential to save lives, prevent injuries and save money and time. Real safety is finding and fixing defects before someone gets hurt, rather than waiting to punish a manufacturer after the damage is done.

If regulations and enforcement are our only tools to protect the public, then we are restricted to more of the same old story – cat-and-mouse games between the regulator and the regulated; Let me repeat what the Secretary made abundantly clear in January: We have not given up the use of those tools, but we know that it is possible to create a culture in which every individual in every organization, public and private, puts safety at the top of the priority list, and never compromises on safety's No. 1 standing. As was done in commercial aviation, we can put systems in place where industry and government collaborate to identify and address safety problems, because both industry and government have safety as their primary goal.

The Proactive Safety Agreement can have an impact for decades to come. But it will also help us in the here and now. Among the commitments from manufacturers is to work with us to improve the pace at which recalled vehicles are repaired.

NHTSA has made major efforts in the last year to improve our processes for identifying vehicle defects, and that effort will continue. We also hope the agreement with major automakers will help prevent problems and identify them sooner when they do occur. But identifying defects is not enough; we have to make sure they get fixed.

Consumers who receive recall notices perform their own risk assessments and decide when – or in too many cases, when not to take the car in to have it repaired. And there is a very strong correlation between socio-economic status and recall completion. Not surprisingly, if you're

working two low-wage jobs with no paid time off just to keep food on the table, you might not consider it a priority to get a recall fixed.

NHTSA has focused a lot in the last year on making sure that all vehicle owners, and not just those buying luxury cars, enjoy the benefit of advances in safety technology. But this is another example where we need to democratize safety. We are hopeful the Proactive Safety Agreement will help make fixing all recalled vehicles a priority, regardless of who owns them.

This is a high priority item for NHTSA, and we are taking action.

NHTSA launched "Safe Cars Save Lives," an advertising campaign to raise the level of understanding in the American public of the actions we all need to take to keep our families safe from vehicle safety defects.

The year-long digital ad campaign, accompanied by online video and information resources, is designed to promote use of NHTSA's VIN lookup tool to regularly check for open recalls, and to encourage consumers, if they discover a recall, to take quick action. The campaign makes a simple point: taking action on a safety recall keeps you and the people you love safe.

This campaign is a big step, but it's in some ways just a down payment; raising awareness and encouraging action will require sustained and dedicated effort, and I am hopeful that the commitments made in January to work together on improving recall rates will include broader action to affect public attitudes. We are eager to work with companies, trade associations, and others on this important effort.

NHTSA is also committed to work with manufacturers on outreach to others with a stake in the recall process, and dealers play a central role in the recall completion effort.

You are going to hear NHTSA talk a lot in the months to come about proactive safety, about the need for all of us with a role in protecting the public to make safety our highest priority. Doing so will require new ways of thinking for NHTSA, for automakers and suppliers, for dealers, for safety advocates and for the public.

I appreciate the opportunity to testify today, and am pleased to answer your questions.

Mr. BURGESS. The chair thanks the gentleman for the testimony.

I will begin by recognizing myself for 5 minutes for questions. Again, I appreciate your being here today.

Can you tell us, since this last incident was so recent, and I don't know that I have seen any sort of official write-up of what occurred, but the airbag unit in question was under recall but what was the difficulty in getting the recall information to the end user?

Mr. ROSEKIND. Specific to that case, that was a 2011 recall actually for a different manufacturing defect. The manufacturer reported sending at least six notices to the family. The family reports not receiving any of them and so that is being investigated right now.

Mr. BURGESS. Well, it certainly seems like we have uncovered a weak spot in what should be the vehicle notification and the user getting back to get the problem taken care of.

Is this a problem because this was a second or third owner or was this the original owner of the car?

Mr. ROSEKIND. We believe it was a used vehicle. So, multiple owners of the vehicle. And you have hit on it, which is as much as currently being done to notify people, it is not enough. And so we have been working with the automakers, we have had our own programs. We have just established with the independent monitor 19 new strategies, more robust ones for the automakers in Takata to go after informing people that they are available.

We have our own, about a dozen activities that are going on with NHTSA, including a new national campaign, safe cars save lives, many different things. In spite of those, what we know is it has not been enough.

I do want to thank you because every time you have been so good about mentioning safercar.gov. And I will just say in the last fatality, we saw a spike from 50,000 to 175,000 checks of peoples' VIN numbers. So, we know that every time we make people aware, they pay attention and that has the opportunity to save more lives. I thank you. You have been so good about doing that.

Mr. BURGESS. Well, let me ask you a question, because I think it was actually in this recently passed highway bill that we did about a pilot program for state notification to consumers. In the State of Texas every year I have got to take my car somewhere and the guy checks the turn signal. And I am happy to comply with it because then I can drive my car for another year without getting a traffic ticket. Is there any way to add the compliance with recalls at the state level as part of the armamentarium of things that they check, along with pollution and turn signals and tire wear? Is it possible to add this information as well?

Mr. ROSEKIND. Yes and thank you for the FAST Act because this is just one example of one of the elements that could help promote better recalls. What you are identifying is a pilot program. Right now there is no procedure. There is no technology or funding, basically, to figure out how to go and do this. When you get your car registered, there is no way to notify people.

So, what is great about the pilot program, up to six states can work with us to figure out what the procedures need to be, what technology needs to be in place, and basically how the procedures are going to go to make sure that that happens correctly.

And just to give you a feel, our VIN lookup is for consumers, one person at a time. Here, we have already started interacting with states and with the DMVs. You are looking at hundreds of thousands of look ups potentially daily to get that work done. We have to figure out how to do it. It could be a great touch point to inform people.

Mr. BURGESS. Somehow, when you make it important to people, it can involve money and, instead of making it punitive, if there was a proactive way, and this of course is probably a question I need to ask the manufacturers, actually an incentive program to comply with a vehicle safety recall if one has been identified. And I could encourage, if there are any manufacturers who are listening today to consider that approach as well.

I have got to ask you this because a little known fact, because I am also chair of the motorcycle caucus and you mentioned novelty motorcycle helmet problems. Can you tell me what the problem is there? I was not aware of that.

Mr. ROSEKIND. There is a group of manufacturers that put out a novelty helmet that does not meet the standard. And so basically, people put the helmet on thinking that they are protecting themselves and it does not.

Mr. BURGESS. And these are sold as motorcycle helmets?

Mr. ROSEKIND. Absolutely. And so if you didn't know what you were buying and you just thought it looked different and cool, thinking you were getting the same protection, you would not be.

Mr. BURGESS. Is there a requirement that a motorcycle helmet be placard? Would there be any way for a consumer to know this is a NHTSA-approved, or a safety-approved device they have purchased?

Mr. ROSEKIND. And there is a DOT label so that you would know that it is correct. But these are manufactured and put out there in certain places and so we are acting to try and take care of that.

Mr. BURGESS. But no label would be affixed to those. It is not that there is a counterfeit label, there is no label.

Mr. ROSEKIND. It is different, depending on how people are producing them. Most often, there is no label. And if people don't know that they should be looking for that, they just think it is a helmet that probably should be protecting them.

Mr. BURGESS. All right. Well, full-service subcommittee, I learned something new today and I hope our motorcycle public is paying attention and will only buy official helmets.

I recognize the ranking member of the subcommittee, 5 minutes for questions, please.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman and thank you, Dr. Rosekind.

The massive ongoing recalls of Takata airbags have remained a huge and complicated problem. And as was mentioned just yesterday, NHTSA announced that 85 million more Takata airbags could be recalled, unless Takata can prove that they are safe.

Dr. Rosekind, questions about Takata inflators are endless. For example, consumers want to know how we can get accurate information to better understand which inflators are going into what cars. And recently, NHTSA stated that if a car company cannot meet the requirement to acquire a sufficient supply of remedy

parts, the company should continue its "like for like" replacing older defective airbags with newer but identical bags.

So, my questions are these. Does that mean that the company will be putting a potentially defective airbag into a car with the hope that it is better just because it is newer? And is the consumer told this important information at the time that the airbag is replaced?

Mr. ROSEKIND. So, I need to begin by making sure everybody understand since their inception, 42,000 lives have been saved by airbags. That is the difficulty of this situation. A piece of safety equipment is putting people at risk.

So, what is now known, based on testing, is there are at least five different factors that create the risk about a rupture that has to do with temperature, moisture, time, the driver versus passenger side, and whether it has desiccant or not, which is a moisture-absorbing additive that can be placed in there.

So, one of the issues that you are talking about is that, at this point, we are only seeing ruptures at 7 ½ years. And that is with all the other risk factors involved as well.

So, what you are talking about is right now with supplies, there are a certain number that are being replaced that have at least a 7 ½ year timespan available for that safety to protect people in the vehicle.

Ms. SCHAKOWSKY. So, is the consumer promised a later date to come in and get a permanent remedy?

Mr. ROSEKIND. Absolutely. And you are hitting, in fact, when we announced this recall, the hardest part, frankly, is you have hit on one of the most difficult things, is you are talking about people potentially having to come twice. Because what you are describing is an interim remedy that will provide more safety but they are going to have to come back for a second time. This is why we have emphasized the 100 percent because you don't want people to get that first one and think they are done.

Ms. SCHAKOWSKY. Right. There are news reports that indicate that companies other than Takata are making replacement airbags. And are those suppliers making the inflators to the old specifications or the new ones? And are these companies required to make the inflators without ammonium nitrate?

Mr. ROSEKIND. There are three other manufacturers, Autoliv, Daicel, and TRW. They now produce about 70 percent of the inflators that are being currently produced for replacement. None of them use ammonium nitrate.

Ms. SCHAKOWSKY. OK.

Mr. ROSEKIND. None of them have had any safety problems identified.

Ms. SCHAKOWSKY. And how does a consumer know if her car's replacement airbag is a replica of the airbag that it was made to replace and similarly, how does the consumer know whether the new airbag she got in the last 2 years needs to be replaced? And finally, how does she know whether the new one contains ammonium nitrate-based propellants?

Mr. ROSEKIND. The simplest thing would be to go to safercar.gov, do the VIN lookup, see whether or not your vehicle is under a recall. If you go in and a dealer tells you that it is the interim rem-

edy, then you would know that you are going to have to be called back again for that second fix.

Ms. SCHAKOWSKY. Safercar.gov.

I am troubled by the report that some auto manufacturers may still be selling new vehicles with potentially defective Takata inflators. What is NHTSA doing to ensure that all new cars are free of these airbags?

Mr. ROSEKIND. Well, it would be illegal to sell a known defect in a new car. So, if you are aware of anything, let us know because that is something we would go and investigate. So, there should be no vehicles. Again, there are some that are getting like for like. Right now the recalls, I think, go back to 2014 but all those are being tracked because of that 7 ½ year rupture timeline.

Ms. SCHAKOWSKY. So you are unaware of any reports that some auto manufacturers are doing that. Is that what you were saying? You said I should inform you but have you heard that as well?

Mr. ROSEKIND. Right.

Ms. SCHAKOWSKY. No, you have not.

Mr. ROSEKIND. Unless it is something we know about, because, again, there are some that haven't been recalled because of the time.

Ms. SCHAKOWSKY. OK.

Mr. ROSEKIND. But otherwise, we are not aware of any.

Ms. SCHAKOWSKY. OK, thank you and I yield back.

Mr. BURGESS. The gentlelady yields back. The chair thanks the gentlelady. The chair recognizes the gentleman from Illinois, Mr. Kinzinger, 5 minutes for questions, please.

Mr. KINZINGER. Thank you, Mr. Chairman.

And sir, thank you for being here and thank you for serving the country in your capacity.

Chairman, thanks for holding this hearing for us to continue our committee's oversight of NHTSA and the review of related safety issues within the automotive industry.

I would especially like to thank the chairman and committee for their support and work to include my amendment in the FAST Act. I believe it takes an important step forward to improve vehicle safety by requiring automakers to provide more information about defective components or parts involved in safety recalls. Sharing defective part numbers and other identifiable information with recyclers will improve safety and aid NHTSA in its goal to improve recall completion rates.

Sir, Section 24(11)(6) of the FAST Act requires automakers to furnish additional information in their 575 reports, such as the name of the component, a description of the component and the part number. Do you have any information what is the status of implementation of this section?

Mr. ROSEKIND. Yes, an important component, if you will, of that Act. And so name, description, and part number already underway to include that according to what is in the FAST Act.

Mr. KINZINGER. OK and do you know, does it require a rulemaking?

Mr. ROSEKIND. Yes.

Mr. KINZINGER. All right. And as NHTSA reached out to stakeholders, such as the Automotive Recyclers Association for technical assistance and input on implementing this section?

Mr. ROSEKIND. And they have been very forthcoming. They have already come to meet with us to help us be more explicit about what needs to get done.

Mr. KINZINGER. Good. And you feel like that is a good relationship?

Mr. ROSEKIND. Very productive interactions.

Mr. KINZINGER. OK, great. Has any information been received from the OEMs under this section of the new law?

Mr. ROSEKIND. Any?

Mr. KINZINGER. Any new information? Any information been received from them under this?

Mr. ROSEKIND. We are still in the produce it phase.

Mr. KINZINGER. OK.

Mr. ROSEKIND. But we will interact with them as well to make sure that what we produce is something they can fulfill.

Mr. KINZINGER. And do you have any idea like kind of the timeline on this right now?

Mr. ROSEKIND. I mean tell you for sure we will meet the FAST Act requirement.

Mr. KINZINGER. OK. And then how will the information supplied through this section of the law be available to the public or the stakeholders? I mean ideally, are you going to have it like a static PDF form, electronic database? Is there anything that you foresee?

Mr. ROSEKIND. Well and that is the part that is trying to be figured out.

Mr. KINZINGER. OK.

Mr. ROSEKIND. And that is not just with the recyclers. But again, the form that we asked the OEMs to provide that information obviously can facilitate how we can make that information available. That is the part that is being worked on now.

Mr. KINZINGER. OK, good. Well, I appreciate you all working on it. My office will continue to ensure that everything is going correctly and appreciate your service.

Mr. Chairman, that is all I have for this witness. I appreciate it.

Mr. BURGESS. The gentleman yields back. The chair thanks the gentleman.

The chair recognizes Ms. Clarke from New York, 5 minutes. Your questions, please.

Ms. CLARKE. I thank the chairman. I thank the ranking member.

Thank you, Dr. Rosekind for coming in today. Am I pronouncing your name correctly?

Mr. ROSEKIND. Rosekind.

Ms. CLARKE. Rosekind. OK. That was the Brooklyn pronunciation.

I think it is safe to assume that cars are going to continue to come equipped with more technological features going forward. Connections exist through popular telematic systems, such as OnStar and built-in entertainment and navigation systems. But as we have heard in numerous hearings in this subcommittee, covering different aspects of the internet of things, if a product can

connect to the internet, that product is going to be a target for hackers.

Dr. Rosekind, what is NHTSA doing to ensure that the growing number of connected features in cars don't become new entry points for hackers? What are the consequences for automakers that do not have robust cybersecurity? And does NHTSA have plans to pursue a rulemaking on cybersecurity?

Mr. ROSEKIND. So, let me start with the consequences. Last July, there was a highly visible hack of a Jeep, which was at least planned. So, there has been no malicious hack of any vehicle yet. But we highlighted that it is no longer a concept. It is real. And I point that out because without any change in our authorities, et cetera, within days a defect was called and a recall was underway. So, we are going to act aggressively and get on those when possible.

But you are bringing up an issue which is the more connected everything is, the more cybersecurity becomes critical. NHTSA has actually been on this since 2012, where we created an office specifically focused on it. This is my chance to thank everybody for their support in the FAST Act.

We have about seven engineers on this, four in Washington, three in Ohio. The FAST Act is going to let us add up to 20 new engineers to deal with this and they are looking at a broad range from how you protect things to one of our recent focus on research is looking specifically at what are the data elements you would actually have to collect to see that hacking attempts were ongoing. And so there is a very active research program that is going on, as well as a lot of others.

We have published a cybersecurity piece on our policy. We are developing some new program elements. January, we held a meeting with over 300 folks coming together, manufacturers, as well as independent researchers to get to look at these sorts of things.

Specifically to your question, this is an area where we need to figure out to how to sort of cut that middle line, which is we talk about nimble and flexible for cybersecurity. If you come out with a rule today, by tomorrow, it could be out of date. And yet at the same time, you need some best practices and potentially rules to establish certain kinds of hard protections and things. So, I think this is an area that you are going to have see a variety of different techniques used to get the full kind of protection the American public is going to expect.

Ms. CLARKE. Very well. As you refer to the Jeep experiment with the two researchers, Dr. Rosekind, when it comes to cars, cybersecurity isn't about data. It can really be about safety issues, can't it? A joint bulletin that NHTSA released with the FBI a month ago said that consumers should take appropriate steps to minimize risk with respect to hacking. Can you explain what some of those steps might be?

Mr. ROSEKIND. Yes, and thank you because you are right, our focus is primarily on the safety. And that hack that was done on the Jeep last July specifically dealt with control systems of the vehicle and that is where the safety concern comes.

And yes, thanks for acknowledging the collaboration with the FBI and putting that out. And that had a lot of straightforward

things that all of us can do, which is just be careful about what you hook up to your entertainment systems. So that Jeep hack actually went through their entertainment system, for example.

And I think all of us basically can think about all the things that we attach to our vehicles, whether you are nowadays a huge number connected to the web, if you are out there searching, you have a chance not just for a virus come and be difficult for you but literally to get into your systems.

So, there is a nice list of things in that press release that was put out, basically cautioning people. If you think about it, you would want to do the same things you would do for your home computer to protect yourself, to think about your car in the same way.

Ms. CLARKE. I thank you.

Mr. Chairman, I yield back the balance of my time.

Mr. BURGESS. The gentlelady yields back. The chair thanks the gentlelady.

The chair recognizes gentlelady from Indiana, Mrs. Brooks, 5 minutes for questions, please.

Mrs. BROOKS. Thank you, Mr. Chairman.

I consider my district actually the auto auction capital of the United States. Car Auction Services, which is headquartered in my district is the second largest auto auction company in North America, selling over four million vehicles a year, employs 14,000 people in all 50 states. And I also, in north of Indianapolis, in Carmel, have NextGear Capital, just expanding their headquarters in Carmel. And I have been to their facility where they serve over 20,000 auto dealers who depend on them for $13 billion in capital to fund their auction purchases.

They tell me they, of course, want to help protect people by ensuring that they know that their customers know of car defects before they buy. But right now, safercar.gov only allows customers to search VIN numbers one at a time to check for recalls. With over 9 million cars sold at auction every year, auto auctions simply don't have the manpower or the resources to tediously input every single number. And so by allowing auto auctions to run every car in their lot for recall notices in one query, the consumer would be more equipped to make better decisions, higher successful recall rates and, ultimately fewer accidents on the road.

And, obviously, we have been talking about the FAST Act passed last year and it studied the feasibility of searching multiple VIN numbers at the same time and the feasibility of making the search mechanism for the event. Can you give me an update on the progress you have made and NHTSA's made with respect to the search of multiple numbers at once and what hurdles do you still face?

Mr. ROSEKIND. And actually, you have just described them, which is the NHTSA lookup is a tool for consumers. And we don't even actually maintain a database. That is really just tapping the auto manufacturers who control their VIN databases.

So, we know there is a great need and interest in having what is called batch or bulk lookups so that you could do it as a group. And the auction houses, new dealerships, all kinds of folks would really benefit by that. So, we have met with folks and I think the biggest thing that we are seeing is the technology challenge, as you

are talking about, the creation of some mechanism. As I just said we don't even keep the database, we go to the manufacturers. How would you create a mechanism, basically, technologically so you could have those bulk requests going to multiple manufacturers in a very short time frame and providing that bulk answer, basically, to whomever the requestor is.

I think at most, at this point, is the technology challenge and, clearly, how it would get funded is unclear as well. Everybody is sort of pointing to that.

There are three commercial entities that exist that do that. Carfax is one of them. I can get you the other two, if you would like.

And so we are looking. We met in July, again, frankly, to talk about what would happen. I think the technology is the biggest piece right now because no one quite has an answer of how to pull that off.

Mrs. BROOKS. But isn't part of our challenge that we have so many people who do purchase vehicles that are moving through the auto auctions? And so consumers, it is very, very difficult for them to know if they are getting one of these cars that has one of these problems.

Mr. ROSEKIND. Absolutely, and just two things. One is when I say there is a technological challenge, that doesn't mean we aren't off of it. It actually means that we are trying to be more aggressive to figure out how could you fix that issue. And you have hit on another issue, which the FAST Act addressed for rental cars. But in used cars, people can still sell those without having the recall remedied. So, that is one of the ways to get to those.

And that is why I say we met in July and we are still meeting with them to see if we can figure out what the technological solution could be.

Mrs. BROOKS. OK. I certainly hope that some of your engineers working on cyber issues, may be with all of that brainpower of those engineers, maybe can also be tasked to have that as a topic.

I want to turn to a different topic right now. Last year or this past month, rather, a Griffith High School boys basketball team was traveling to a semi-state championship. A driver sideswiped their bus and the bus flipped and overturned, as they were on the way to their semi-state game. None of the children were seriously injured. However, it reminds us about the importance of getting seatbelts on school buses.

And last September, you announced a series of steps designed to move the nation toward providing more seatbelts to students on school buses. Can you please tell us about the research projects, the data collection, stakeholder outreach, what is going on with respect to this project?

Mr. ROSEKIND. I can't thank you enough for raising that question. There are so many headlines that people want to talk about. That is one for 4 decades there has been debate out putting seatbelts on school buses. And yes, it is a clear departure for NHTSA to come out and basically say three-point belts would add—the big yellow bus is the safest way to get to and from. Can you make it safer? Absolutely. So, we have already had a 1-day meeting to talk about how to make that happen. We have identified the fact that

it is not just about seatbelts on the bus, it is around the bus. So, we are looking at everything from the red lights on the arms to guards that help people pass in front.

We are looking at all those different things, including our most recent meeting about a month ago, where we pulled the six states that do have laws related to seatbelts in to figure out what they are doing and how we could helpfully try and scale that to the rest of the country.

So, we are on that trying to figure out anything we can do to support three-point seatbelts on school buses.

Mrs. BROOKS. Thank you for your service. My time is up. I yield back.

Mr. BURGESS. The chair thanks the gentlelady. The gentlelady yields back.

The chair recognizes the gentleman from New Jersey, the ranking member of the full committee, Mr. Pallone, for 5 minutes for questions, please.

Mr. PALLONE. Thank you, Mr. Chairman.

As others have mentioned today, in January DOT and 18 automakers reached an agreement known as the Proactive Safety Principles and I am glad to see auto manufacturers and DOT try to work proactively on vehicle safety. But frankly, I have doubts about these principles.

The principles are simply a promise to try to work together in the future. There is no substance. And even if there were, there is no enforcement to ensure that the automakers keep their commitments. So, I wanted to ask you, Dr. Rosekind, can you assure me that these principles are meaningful in some way, that these principles are more than a PR stunt to shift the focus away from the major safety crisis of the past few years?

Mr. ROSEKIND. And you are absolutely correct, it is not a regulation and they are not enforceable. And I can tell you in April we had a meeting for the very first time to discuss with the automakers 100 percent recall completion rate as a target.

That is now included in that Proactive Principle. Never before has—everyone has always talked about let's get 75 percent because that is the average. We are now talking about 100 percent should be that target. That is in there. Can everybody do more? Absolutely, but now we have a new target that is already in there.

I think the automatic emergency braking that we see happen is another proactive one and in the cybersecurity area, Chrysler actually, in May, is having their own 2-day just industry meeting to focus on things. That wasn't intended to be a regulation. It wasn't intended for enforcement. We are going to use all the enforcement and regulatory authority we have. We are not giving anything up.

My concern is the 32,675 and that we are looking at a nine percent increase this year. And we all know if we keep doing the same thing, we cannot expect a different outcome.

So, we will continue doing everything we know that works. We will figure out ways to do it better but NHTSA is looking for every other tool that we can find that could help save a life.

Mr. PALLONE. All right. But in addition, and I appreciate that because I think that even though you are admitting that there is no

enforcement mechanisms per se, that you are going to try to use other measure that you have to do that.

In addition to the lack of enforcement, though, I also have reservations about the closed door process that NHTSA has been engaging with recently. With regard to the Proactive Safety Principles, were any auto safety advocates directly involved in crafting the principles?

Mr. ROSEKIND. That process started on December first when Secretary Foxx called all the COs in because of all the recall and safety problems going on in the industry. It was clearly beyond just breaking issues and issue of the safety culture in the industry. He called them in and said we need to do something different. And 6 weeks later, that agreement emerged among them, basically, to come up with these principles in those four areas. So, that started with a meeting with the automakers. Six weeks later, through the holidays, frankly, is when it actually came together. So, there was, again, there was not a public process. That was come in, what are you going to change? And that was agreement that came together.

And I will say it again. It is not intended to be a regulation. It is not intended to be enforcement but everybody is watching and we already have some concrete things like that agreement looking to target 100 percent completion. Activity is already going on. Cybersecurity already being advanced. We have a safety meeting coming up, next week, basically, where we are going to be looking at how to take aviation lessons learned and apply them to the auto industry. So, in that agreement, it talks about anonymous sharing of safety data. That meeting to start that process is actually happening next Friday. They are concrete actions and we are watching.

Mr. PALLONE. So, I mean there weren't any auto safety advocates directly involved. But I mean how are you going to try to get them involved? What are you going to do?

Mr. ROSEKIND. That agreement is public. It is out there. The activities, basically, are aware. So, anybody can have input into what is going on. And that, again, was an agreement of the manufacturers to proactively move things forward.

Mr. PALLONE. So, I mean there wasn't any public comment period for the Proactive Safety Principles.

Mr. ROSEKIND. It was not a regulation. It is not intended to be enforced.

Mr. PALLONE. No, I understand. I mean I appreciate your honesty about lack of enforcement, lack of involvement of the auto safety advocates. Lack of a comment period. I mean I don't think that is good but I appreciate your honesty.

But how are we going to—we don't want to have similar agreements like this in the future. I mean I think it is important to involve the public safety advocates. It is important to have public comments, a public comment period prior to finalization. So, can you make some commitment to us that in the future you will try to do that or what can you tell us that makes me feel a little better about the lack of all this?

Mr. ROSEKIND. Well, NHTSA is going to look for all the tools that are available. And that means we are going to have as much interaction with a full range of safety advocates for all the activities

that are going on. And, frankly, some of the process have clear elements where notice in comment for rulemaking, there are opportunities for everybody to get involved in the public docket, et cetera. There are always going to be other activities that go on that certain groups aren't going to be involved in.

Mr. PALLONE. I guess my concern—I know that my time has run out, Mr. Chairman—is that these voluntary good practices on the part of business are certainly something we hope for but the rulemaking process exists for a reason and mandatory safety standards have prevented more than 600,000 deaths since the 1960s.

So, I don't want the agency moving away from mandatory standards. That is my concern.

Mr. ROSEKIND. And that is why I can state absolutely emphatically that we will continue to regulate and enforce as we need to and we are looking at and we want to expand and add to our tool set that we can try and see progress on safety.

Mr. PALLONE. All right, thank you. Thank you, Mr. Chairman.

Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes the gentleman from Kentucky, Mr. Guthrie, 5 minutes for questions, please.

Mr. GUTHRIE. Thank you, Mr. Chairman. Thank you Administrator Rosekind for testifying.

It is my understanding that what is sometimes called the One Nation Program, referring to fuel economy regulations was intended to coordinate or harmonize various federal, state, and state regulations as much as possible. Since there are effectively three separate sets of regulations for EPA, NHTSA and state regulation, it has come to my attention that differences between even the federal programs make compliance more difficult.

First, do you agree that the development of the One Nation Program was to provide consistency and certainly for automakers?

Mr. ROSEKIND. Yes, among those three groups that you highlighted, NHTSA, EPA and especially the California Air Resource Board.

Mr. GUTHRIE. OK. Are you aware of the differences between programs that affects stringency and possible compliance?

Mr. ROSEKIND. Are there specific ones?

Mr. GUTHRIE. Well one, if I am not mistaken, EPA credits can have a useable life of up to 10 years versus NHTSA credits have an up to 5 year of life. So, because of that difference, then somebody could be—an EPA credit could be compliant with EPA but not compliant with NHTSA. Is that a conflict?

Do you see that or is that something you are working through?

Mr. ROSEKIND. Two things. One is I would say that if there is a specific instance that somebody is sort of questioning where that inconsistency is, I would love to see that so we can see what is actually going on there.

Mr. GUTHRIE. OK.

Mr. ROSEKIND. But the other thing, to the question about consistency more generally is there is a mid-term review that is coming up, where we will be putting out a technical assessment report so that we can basically take a look at how that is doing and a draft

report will come out for exactly those kinds of comments that people can address.

Mr. GUTHRIE. OK. That was a specific instance. Somebody could come to me and say that they have been written up for being compliant with one or the other but they look at the standard and say they were——

Mr. ROSEKIND. Importantly, in that mid-term review, there will be a draft that everybody can comment.

Mr. GUTHRIE. OK, we will follow-up specific on that, then.

So, shifting to recalls and focusing on the millions of motorists and occupants who are driving or riding in vehicles under open recall, and what is the status of the new recall media campaign you announced last September?

Mr. ROSEKIND. So, there have actually been a variety of activities going on. That one is Safe Cars Save Lives and we are doing media buys. And NHTSA is the agency that has Click It or Ticket; Drive Sober or Get Pulled Over; You Drive, You Text, You Pay. We have these national campaigns we do. This is a new one focused specifically on recalls.

The other two things I will just mention quickly are, besides our activities going on, the automobile associations are doing research and looking at other mechanisms, things like contacting the insurance companies so that when you not just register your card but when you touch your insurance company, another touch point. And then the independent monitor with us is also working with Takata and all the manufacturers affected. As part of the consent order, they are required to give us their outreach plan. And so that way, we can actually look at it. And we have come up with almost 20 new robust strategies for them to pursue, along with about a dozen things that we already have underway.

Mr. GUTHRIE. Takata, obviously, is a case, the recall obviously is different but there are a lot of recalls for a lot of different reasons. Do you look at recall fatigue? Like your door handle needs to be readjusted or I mean, I have heard—I have never seen one something specific but people say if there is a typo in an owner's manual, you get a recall notice on that. I haven't personally seen that one so I can't say. But I do see recalls that come through cars that I have and I say I will get around to that one because it is a screw in the chair seat or something like that versus, obviously, Takata, that is safety.

Is there a way you try to or are concerned about people continuing getting recalls and then all of a sudden one is more serious than others and I guess recall fatigue?

Mr. ROSEKIND. Absolutely and I think that has been the problems with the headlines is people get so many notices, potentially, when you are looking at, I mentioned a number, but last year in 2015, it was 900. The year before we are talking about 51 million vehicles being affected.

And so yes, consumers, just knowing that that is something they need to pay attention to is a challenge. And then if you are getting multiple ones for different cars, that is a real problem. That is why we are trying to come up with new strategies, new approaches. While there is a lot of activity going on, I think the tragedy from a couple of weeks ago shows we have got to do more.

Mr. GUTHRIE. Absolutely. And then I only have 19 seconds but you said publicly and your staff has said that auto safety technologies may have environmental benefits that would reduce greenhouse gases. Can you give a couple of examples of that in 8 seconds? Sorry.

Mr. ROSEKIND. Engines that are more efficient.

Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes the gentleman from Oklahoma, Mr. Mullin, 5 minutes for questions, please.

Mr. MULLIN. Thank you, Mr. Chairman.

Sir, thank you for being here. It is very impressive, your command and knowledge of NHTSA. I think the whole time you have been there I haven't seen you even look back at anybody behind you or even look at a note. So, I will commend you for that. I am not capable of doing that.

I just want to run a little bit on the recalls. Unfortunately, we heard of the young lady that lost her life and that has been brought up and talked about. There were some questions about how the vehicle is registered. I get that, too. But I have, on multiple vehicles, over time, and I still get recalls from vehicles that I owned years ago. Is there not—unless I am mistaken, I thought the DMVs were supposed to notify or help notify the individuals when they are registered with them of recalls. But is the DMVs communicating with the manufacturers to let them know that the vehicles change hands, some way to get those notifications farther out there? Because what we are having is obviously it is not being effective. And I understand the responsibility of the driver but, at the same time, when you a buy a vehicle or used, you assume everything is perfect on it. You are not looking for recalls. If you are looking for recalls, you would have never purchased the vehicle.

So, is there communication with the state, with the manufacturer, with the DMVs? What is that communication like?

Mr. ROSEKIND. There should be but you have just hit on, besides things like recall fatigue, you are hitting on another issue, which is where in the communication did that break down. Because one of the concerns you are just raising is when there is a multiple buyer, you have the used car has been bought by multiple buyers over time, there is the assumption that somehow that transition of ownership has been taken care of, that all the appropriate information has been passed on. That is not always tracked. And so now you are looking at the whole system, DMV, the manufacturer, where the notices go out, even if they have updated information on the owner and make sure that they are sending it to the right address where you actually live.

So, you have just hit on another issue that we are trying to unravel, to figure out where all those touch points could be. That is why there is the interest in the DMV pilot. Is that something if you are going to register the car we could get you again?

And I would actually like to use you in ad because you have got it. If you buy a new car, a used car, a rental car, your assumption is that it has no outstanding recalls.

Mr. MULLIN. Right.

Mr. ROSEKIND. But that is not the case.

Mr. MULLIN. And the other breakdown, too, you can't—I have a fleet of vehicles and several mechanics that work for us in our companies. And you can't work on a car anymore without plugging it into a computer. It would seem that there would be a way for a notification to come up on the vehicle and everything that is connected the way that it is that there is a recall, regardless if the manufacturer is working on it at a certified GM mechanic or the mechanic down the road. You would think that would be a way for it to communicate because everybody has got to take their vehicles in and get the oils changed. Very few people are changing their oil now in their driveway. That might be a way.

And I am open to discussing it further with you of maybe some simple ways that we might be able to come up with some more communication, more ways for just the average consumer to be able to get the technology or the information that they need.

I want to go back to Mrs. Brooks and bring up the school bus issue. I have five kids that go to public school from 12 to 5 years of age. They are going to be there for a while. And they are on a school bus all the time. The question is, though, I don't think any school is arguing the fact they want to put seatbelts in the school buses. It is that they can't afford it.

So, is NHTSA looking at a program to help the schools? Because if we just mandate it for the schools to do it, schools are having issues with revenue left and right. We continuously put unfunded mandates on the school systems and you are not going to find a teacher, a superintendent, or someone elected to the school board that is going to argue the point that they don't want seatbelts in the school buses. But we have got to have some type of program to incentify them to be able to do it and funding that goes along with it.

Mr. ROSEKIND. And we are looking at all those possibilities. And to your point, we don't want school districts to make the choice to not provide that safe school bus because of their concern about the seat belts. That is, again, one of those fine lines we have to tread. That is why we came out with a policy but without the mandate at this point, trying to figure out how other states and school systems have done it and we have met folks where they didn't have the funds but they made a decision in the district to only order new buses with three-point belts. They found a way to pull it off.

Mr. MULLIN. Well, you can order new buses that way. It is the old buses. And we know how expensive the new buses are. How long is it going to take to get the old buses off the roads? You are talking about years at that point.

I am out of time. Sir, thank you for being here. I really do appreciate it. I yield back.

Mr. BURGESS. The gentleman yields back. The chair thanks the gentleman.

The chair would recognize Ms. Schakowsky from Illinois for a redirect.

The chair will recognize himself for the opportunity for redirection to the Administrator for the National Highway Traffic Safety Administration.

There is something that has come up relatively recently that I hear on car shows on Saturday morning and that is the issue of

the seat back integrity. We put our children in car seats. We put them in the rear seat. But in some vehicle crashes the seat integrity of the seat back is what fails putting the adult then in the compartment with the child and the child is then injured. Is this something that you are looking into currently?

Mr. ROSEKIND. Yes and fortunately, severe rear impacts, severe, are fairly rare. And then when someone is specifically injured, trying to determine was it specifically the seat back strength is more rare. Which just means trying to get the data to figure out the safety benefit and other benefit determinations, these things can be challenging. But we are looking at from a potential regulatory standpoint and from a research standpoint. So, even if we don't have the real world data, we are looking at actually a new test dummy that would allow us to collect better data to make that kind of determination, which we would have to do to come out with a regulation in that area.

Mr. BURGESS. Very well.

And then another unusual thing that happened in the North Texas area the day after Christmas, we had a very severe tornado. It blew in suddenly. It came at nighttime. Difficult to let people know it is coming. The greatest loss of life occurred on a tollway overpass, not people getting under it to get out of the path of the storm, which I recognize is a bad idea because of the Venturi effect under the overpass, but these were people actually travel over the overpass and they got pulled off the road and, obviously, there were multiple fatalities.

Department of Transportation has lighted signs that they put up and, as you alluded to, the Click It or Ticket, or Drive Sober or Get Pulled Over, sometimes there will be traffic warnings. Is there any thought to providing timely weather warnings? The hailstorm we just had a few days ago in my area, this tornado the day after Christmas, people that are—I would like to say that everybody is listening to the weather warning station at that point but we know they are not. They are listening to their sound systems. Is there anything additionally we can do?

This was kind of a new phenomenon, something I had not seen before, but people, again, literally sucked off the overpass and thrown into the lake and, again, with great loss of life.

Mr. ROSEKIND. You have just said it, which is we use those signs for a lot of different things. And I will go and talk to Greg Nadeau, who is the Administrator of the Federal Highway Administration and see if that kind of information could be added to what is transmitted to the drivers.

Mr. BURGESS. I appreciate that. Do you mind if I go to Mr. Bilirakis first?

Ms. SCHAKOWSKY. No, that is fine.

Mr. BURGESS. OK. The Chair recognizes Mr. Bilirakis, 5 minutes for questions.

Mr. BILIRAKIS. Thank you so much, Mr. Chairman. I appreciate it.

Administrator Rosekind, where do we stand currently with the V2V? Well, if you can tell me that. And then elaborate a little bit how it is going to work.

Mr. ROSEKIND. Sure. Let's start with people talk about either or, connected vehicles or autonomous self-driving vehicles. The Department of Transportation thinks of this as connected automation. It is really both because they both give you sort of added safety.

Connected vehicles are basically V2V, vehicle-to-vehicle, vehicle-to-infrastructure, V2X, anything else, or basically they are all going to be able to talk. What we know is that studies so far suggest that even two applications of V2V could prevent 600,000 crashes and save 1,000 lives. So, it has huge opportunity. Overall, potentially 80 percent of crashes that don't involve an impaired driver could be prevented with V2V.

So we have, actually, introduced a rulemaking which has been accepted by OMB for review just to try and set up a consistent piece of equipment that would be used for the whole system in the United States.

Mr. BILIRAKIS. OK. Well, when do you anticipate this being online or you know our constituents availability? Give me a timeline on that.

Mr. ROSEKIND. Right now, it has been accepted by OMB and is under review. So, that is kind of where we are, answering their questions.

Mr. BILIRAKIS. So, 1 year, 2 years, any kind of an estimate?

Mr. ROSEKIND. I can tell you that the proposal is to have it out—I will check the final date in the proposal. We have a specific in the proposal for when it will be on the road. My caution is just to say that our piece has it out proposed, it is currently under review at Office of Management and Budget.

Mr. BILIRAKIS. Thank you. Next question.

NHTSA has announced several initiatives and workshops on numerous issues over the last 6 months and plans to complete work on these topics prior to the end of the administration. Is that correct?

Mr. ROSEKIND. Yes.

Mr. BILIRAKIS. OK. How are you ensuring adequate work and thorough stakeholder engagement is done on these important issues before the final actions are taken?

Mr. ROSEKIND. Well, for a variety of the activities, they are, in fact, open public meetings. So retooling recalls was open. We have others, cognitive distraction that have been live webcasts for things.

Right now the Secretary has announced in 6 months NHTSA is going to put out several things if you like to talk about autonomous vehicles. We just held the first public meeting on that last Friday. There is another one April 27th in California. There is an open docket for that.

So, for activities that are leading to specific products, there is both some transparency and involvement from stakeholders.

Mr. BILIRAKIS. Very good. Thank you.

What are the key takeaways from the cybersecurity roundtable that NHTSA held in January?

Mr. ROSEKIND. Fascinating exchange because we had manufacturers in there with independent researchers and pretty much the whole mix. And I would just say one, it was fascinating to see that everybody thought you needed nimble and flexible, cautious about

regulations because they could be outdated cybersecurity-wise before they are even in place. And the other is that everybody identified this is critical not just for protection but for the trust of the American people to see these automation things get on the road.

Mr. BILIRAKIS. OK, very good. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes the gentleman from California, Mr. Cardenas, 5 minutes for questions, please.

Mr. CARDENAS. Thank you very much.

And thank you, Dr. Rosekind for coming forth and answering our questions. And you are welcome to ask questions as well.

But I just wanted to thank you for all the work that you do and please, if you would, translate that to all of the good workers that you are surrounded with. And my first question has to be speaking of workers and the people you are able to surround yourself with, do you have as many people in your organization that you would need to address all the issues that you recognize you should be addressing or getting in front of?

Mr. ROSEKIND. No.

Mr. CARDENAS. I had a funny feeling that would be the answer.

Mr. ROSEKIND. But if you will let me, I will just say——

Mr. CARDENAS. Please.

Mr. ROSEKIND. Well, thank you because this committee and the FAST Act is helping us get there. So, Office of Defect Investigations, which we have talked so much about has the potential now for us to hire 57 new people and address that issue. So, thank you so much because that is a huge difference for us.

Mr. CARDENAS. So, 57 new people. I am glad we were able to make sure. Congress has the power of the purse. So, that is up to us to give you your budgets, et cetera. So, I am glad we did that.

But being an engineer myself, and someone who understands how the best way to get in front of an issue is to be proactive and an organization that has to do with traffic safety like yours, it is very important that people understand that, unfortunately, it is not that often that the United States constituents receive the benefit of other countries good work on issues like this. We tend to be the leaders. Isn't that the case? Not always, but tend to be the leaders more often than not.

Mr. ROSEKIND. And I try and preface this by saying I am biased. But I would like to say certainly in a lot of the technology innovations, the U.S. is a leader.

Mr. CARDENAS. Yes, and I believe that is the case both in the issues we are talking about today here and in many, many things. It is something that we as Americans should be proud of but with all due respect, government does have its place, especially when it comes to safety of the American public and anybody who comes to our great country and assumes that safety is a priority for us and that we are continuing to make it a priority. So, once again, thank you, Doctor.

I would like to ask you, as I am sure you are aware, in February, the Center for Auto Safety filed a lawsuit against the Department of Transportation alleging that by failing to publish technical serv-

ice bulletins or TSBs in their entirety online for consumers, DOT was in violation of MAP–21s. Finally, on March 25th, DOT announced that it would publish TSBs and it has been brought to my attention that full TSBs are now available on the Web site. I look forward to ensuring they are all up as soon as possible.

However, members of this committee worked very hard to have TSB publication included in MAP–21. And while I am pleased that NHTSA is beginning to finally comply with the requirements, I think it is unfortunate that it took a lawsuit to get NHTSA to make that happen.

I would like to ask you about the Early Warning Reporting System. That system was put into place in 2000, after the highly publicized Ford Firestone tire recalls. Early Warning Reporting is intended to alert NHTSA to vehicle defects as early as possible, ideally, helping to identify major problems and minimizing the risk to the public. However, last year's audit by the Department of Transportation's Office of Inspector General highlighted some problems with the current Early Warning Reporting System. It said that safety defects are often mis-categorized and that manufacturers have wide latitude on what information they are required to provide.

Dr. Rosekind, what changes or improvements, if any, is NHTSA making to the Early Warning Reporting System to respond to the findings in the IG report?

Mr. ROSEKIND. So, this came up in opening comments. This is an opportunity to give everybody an update.

There were 17 recommendations that the Inspector General identified. The Early Warning Reports, EWRs, were one of them. We made an aggressive commitment to finish all of those recommendations within a 1-year period, so by the end of June 2016. And the Inspector General was very clear nobody ever does that, actually give them a schedule.

We have six of those closed ahead of schedule and we have the other 11 already identified and on schedule to be finished by the end of June 2016.

We have also done one other thing that nobody ever does. We have actually set up technical meetings with the IG's office to tell them what our plans are to meet those recommendations so that we have an ongoing discussion with them to make sure we meet them in an appropriate closed way.

Mr. CARDENAS. So, 11 out of 17 have been addressed ahead of schedule.

Mr. ROSEKIND. Six. The first six ahead of schedule. We are working on the other 11, which are on schedule.

Mr. CARDENAS. OK, on schedule.

Mr. ROSEKIND. Yes.

Mr. CARDENAS. It sounds like you are not only a good listener, you are a good action department. So, I just wanted to thank you so much for doing that.

Ahead of schedule is great. On schedule is good. And we hope that you are able to do that. Not that you would want to opine, but I hope that on this side we are as good a listener as you are. Thank you so much.

Thank you, Mr. Chairman.

Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

The chair recognizes Ms. Schakowsky from Illinois for a redirect.

Ms. SCHAKOWSKY. Thank you.

So, just a few weeks ago, the new chairman of the National Automobile Dealers Association or NADA said that—or maybe it is NADA, NADA sounds—I don't know. OK, I don't know which it is—said that we shouldn't have legislation requiring dealers to fix all recalls on used cars before they can be sold because only six percent of recalls are hazardous.

Now, I have a letter that we received today from Cally Houck, mother of Raechel and Jacqueline Houck and Alexander Brangman, father of Jewel Brangman. And it says as parents of precious, beautiful, talented daughters killed by recalled cars with lethal safety defects, we are appalled that you—it is a letter directed to Jeff Carlson, Chairman of the National Automobile Dealers Association—that you would claim that "only six percent of recalls are hazardous." Our daughters were driving or riding in cars that were the very defects that you claim were not hazardous and, therefore, acceptable for your car dealer members to sell to the public without repairing the defects first.

So, Dr. Rosekind, I think it really is important to clarify this point. Does NHTSA require manufacturers to recall vehicles if a defect is even not safety related but all defects?

Mr. ROSEKIND. We have been at this before, haven't we?

Ms. SCHAKOWSKY. We have.

Mr. ROSEKIND. Yes. And a defect that is an open recall needs to be fixed, whether it is new, used, or rental.

And we just heard the Congressman say the assumption in any one of those circumstances is that if there is open recall, there is no defect.

Ms. SCHAKOWSKY. So, do you plan to reply at all to the notion—first of all, is that accurate, in your view, that the deaths of these girls was caused by something claiming to be nonhazardous by the Dealers Association?

Mr. ROSEKIND. This is one of those ongoing challenges of them trying to—of individuals trying to sort of split. That is why we are pretty straightforward. Any open recall needs to be fixed, period.

Ms. SCHAKOWSKY. So, are dealers prohibited, then, and should be prohibited from selling or leasing used cars until all recalls have been repaired?

Mr. ROSEKIND. That was in the GROW AMERICA Act and we believe any new, used, or rental should be free of defects.

Ms. SCHAKOWSKY. Well, I hope that is really strongly communicated. I feel an obligation to the people from whom we received this letter and to the lost daughters of theirs that we make that perfectly clear.

Thank you. I yield back.

Mr. BURGESS. The gentlelady yields back.

And that concludes questions for the first panel. Dr. Rosekind, thank you very much for your forbearance in staying with us today.

We will take a 2-minute recess to set up for the second panel, at which time, we will reassemble.

[Recess.]

Mr. BURGESS. I want to welcome everyone back and thank everyone for their time and patience in being here today.

We will move into our second panel for today's hearing and we will follow the same format as the first panel. Each witness will be recognized to give 5 minutes to summarize their opening statement, followed by a round of questions from members.

For our second panel, we have the following witnesses: Mr. Mitch Bainwol, President and CEO at Alliance of Automobile Manufacturers; Mr. John Bozzella, President and CEO at Global Automakers; Mr. Michael Wilson, CEO at Automotive Recyclers Association; Ms. Jackie Gillian, President at Advocates for Highway and Auto Safety; Ms. Ann Wilson, Senior Vice President at Motor and Equipment Manufacturers Association.

We do appreciate you all being with us here today. We will begin the panel discussion with you, Mr. Bainwol, and you are recognized for 5 minutes to summarize your opening statement.

STATEMENTS OF MITCH BAINWOL, PRESIDENT AND CEO, ALLIANCE OF AUTOMOBILE MANUFACTURERS; JOHN BOZZELLA, PRESIDENT AND CEO, GLOBAL AUTOMAKERS; MICHAEL WILSON, CEO, AUTOMOTIVE RECYCLERS ASSOCIATION; JACQUELINE GILLIAN, PRESIDENT, ADVOCATES FOR HIGHWAY AND AUTO SAFETY; ANN WILSON, SENIOR VICE PRESIDENT, MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION

STATEMENT OF MITCH BAINWOL

Mr. BAINWOL. Chairman Burgess, Ranking Member Schakowsky, members of the committee, thank you for this chance to be here today to testify. I do so on behalf of 12 major OEMs based in the U.S., in Europe, and in Asia. Rather than read a prepared statement, I thought I would run through some slides very quickly to try to provide some context. So, if we can move to the next slide.

[Slide.]

Mr. BAINWOL. This first slide is a 65-year trend line of fatalities on the U.S. roads. The vertical bars are fatalities in absolute numbers. And you see the roughly 33,000, which is roughly where we were in 1949. The green line is vehicle miles traveled and the yellow line is fatalities by vehicle miles traveled, which are down about sevenfold. That is what the CDC described as a tremendous public health achievement of the second half of the century.

The gains, thus far, have been on the basis of two primary factors. One is changes in behavior, fewer people driving drunk and more people driving belted. And that is great.

And the second piece of that has been technology focused on crash worthiness. So, when an accident occurs, folks survive that crash. It moves that yellow line down forward into the future, we will require technology to prevent crashes. Next slide.

[Slide shown.]

Mr. BAINWOL. So a quick recall summary. As you all know, we did significant research last summer with Global Automakers and we learned a number of things, one of which is in terms of awareness, about 85 percent of the awareness that folks have of the recall comes from communications, from the OEM, and/or from the

dealer. We also know that there is a relationship in terms of certain factors with recall completion. The more educated you are, the greater the level of completion, the higher the income, the greater the completion, the greater the risk perception, the higher the level of responsiveness. The older the age of the car, the less likely somebody is to bring the car in for completion. And the closer to the dealer relationship, the more likely somebody is to get that job done.

So, what do we need? We need not just to drive awareness but to find ways to motivate people to comply with the recall. And we do mail and email until we are blue in the face. And folks, everybody gets a ton of communications and it is very hard to break through. It is not unlike campaigns and politics where sending a message is one thing; motivating somebody to behave is another thing. So, it is very, very tough. We need help and we need folks in the other elements of the ecosystem to engage. And that is why one of the reasons we are delighted with the FAST Act provision on DMVs. The pilot program, I think, they discussed with Administrator Rosekind, that is a really strong idea and we think that is worth pursuing.

We also think it is a good idea and we have reached out to the insurance community because those folks engage drivers semi-annually, typically. And when you go in for a renewal or you go in for a quote, those folks can notify a consumer who is very focused on their car at that point about an open recall and they would be very, very helpful. Next slide.

[Slide shown.]

Mr. BAINWOL. This is a sample insert. Given time, I will skip on. Next slide.

[Slide shown.]

Mr. BAINWOL. So this is really important in terms of dimensionalizing the problem we have got. There were 32,675 folks who died in 2014 on the roads and that is a tragedy. Of those, 31,479 perished in accidents that had nothing to do with the vehicle. OK? Three—let me find the number here—1196, 3.7 percent were fatalities related to vehicle factors but in all vehicles, motorcycles, ATVs, trucks, and light duty vehicles, 836, 2.6 percent were vehicle factors in light duty vehicles. And of that, roughly two-thirds were accidents related to vehicle maintenance factors.

So, under one percent of the factors in 2014 related to the vehicle.

The other part down there is very hard to see in the lower right, relates to the age of the car. Five percent of the fatalities were in cars that were 5 years or newer. That same proportion of the fleet is 27 percent.

Cars that are older than 10 years represented 75 percent of the fatalities and just 46 percent of the fleet. So, obviously, there is a very direct relationship with the age of the cars.

I will skip through the next slide and let's go to benefits of automation real fast.

[Slide shown.]

Mr. BAINWOL. So, as you talk about the future and as you talk about technology and the tools necessary to drive increased levels of safety, there is this question about what happens with automa-

tion. Is it going to be a revolution with autonomy or is it going to be an evolution toward autonomy? And the benefits you accrue accrue immediately. So, the safety benefits you get from things like automatic braking, the environmental benefits you get from automatic braking, national security reduced use of fuel from automatic braking. The factors that you don't get, the benefits that you don't get, are things like access, which does require full autonomy.

Last slide, given the time.

[Slide shown.]

Mr. BAINWOL. If you look at market penetration, as you examine the future, this is a study that was done by Moody's that came out about a week ago and this is their estimate about the roll out of self-driving cars.

In 2020, the self-driving car is available. That is roughly right. In 2030, they deem it to become common. In 2035, they deem it to become standard. And in 2045, they deem the fleet to be a majority self-driving. And in 2055, they deem it to be ubiquitous.

So, we are talking about 40 years from now to ubiquity. Along the way, we have these technologies like automatic braking that will have a huge impact on the social benefits that we can accrue.

We have an enormous opportunity to make fantastic safety gains and the focus on technology is when we should lean forward. I think the Administration has done exactly that. We applaud them for that. And we applaud this committee also for its focus on the promise of new technologies.

[The prepared statement by Mr. Bainwol follows:]

STATEMENT

OF

THE ALLIANCE OF AUTOMOBILE MANUFACTURERS

BEFORE THE:

THE HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON COMMERCE, MANUFACTURING AND TRADE

APRIL 14, 2016

PRESENTED BY:

MITCH BAINWOL
PRESIDENT AND CEO

Executive Summary

Working with industry and government stakeholders, there has been enormous progress in automotive safety over the last 50 years. Since the passage of the National Traffic and Motor Vehicle Safety Act in 1966, fatalities as a share of miles travelled are down 80 percent, and are down 26 percent just over the past decade alone. From designs and technologies that provide substantial protection to occupants involved in crashes to vehicle technologies that assist drivers in avoiding crashes, the automobile industry has made a significant and continuous contribution to motor vehicle and traffic safety. Our testimony provides highlights in three areas where the industry is working to develop technology to increase motor vehicle safety.

Proactive Safety Principles

The Proactive Safety Principles were developed collaboratively by the member companies of both major automobile trade associations, the Alliance of Automobile Manufacturers and the Association of Global Automakers, along with DOT. The overarching themes are:

- Enhance and Facilitate Proactive Safety
- Enhance Analysis and Examination of Early Warning Reporting Data
- Maximize Safety Recall Participation Rates
- Enhance Automotive Cybersecurity

Implementation of FAST Act Provisions

Last year Congress made great strides in the advancement of auto safety by passing a multi-year transportation reauthorization bill. The legislation contained important motor vehicle safety provisions such the implementation of the Inspector General's recommendations to improve defect identification, the enhancement of the early warning reporting system, an annual priorities report and the improvement of NHTSA's research efforts that will assist in making our roadways even safer.

Advanced Driver Assist Systems and Autonomous Vehicles

The development of auto technology has been instrumental in the advancement of vehicle safety. Through driver assist technologies such as forward collision warning and autonomous braking, the auto industry continues to improve the safety of the traveling public. We are on the cusp of the next technological revolution with the development of partial and fully autonomous vehicles. Now more than ever industry and government must work together to develop a unified program for all states to follow so that we do not stifle innovation.

Conclusion

We stand ready to work with Members of the Committee and Congress to advance the safety of consumers on America's roadways.

Testimony

Chairman Burgess, Ranking Member Schakowsky and other distinguished members of the Committee, on behalf of the Members of the Alliance of Automobile Manufacturers (Alliance), thank you for the opportunity to testify today regarding the significant strides made concerning automotive safety and what our industry is doing to build on this progress. As you may know, Alliance Members account for 75 percent of annual new car and light truck sales by revenue in the United States. The Alliance includes amongst its diverse membership companies headquartered in the U.S., Europe and Asia, including the BMW Group, Fiat Chrysler Automobiles US, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of America and Volvo Car Group.

Over the last decade the auto industry has faced many challenges. We witnessed first-hand the impact the economic collapse had on vehicle sales which dropped to record lows and caused significant changes to our industry. But, ever resilient, the industry continues to bounce back. Sales have rebounded with an all-time record for new vehicle sales last year (17.5 million) – the seventh straight year of increased sales. And, while our industry works to address various motor vehicle recall issues, the fact remains that we are currently living in the safest period in automotive history. In the last decade (2005 – 2014) the U.S. has experienced a 13 percent reduction in passenger injuries, a nearly 25 percent overall reduction in traffic fatalities and a 34 percent reduction in passenger vehicle fatalities. Overall, our efforts have cut the fatality rate per 100 million miles of travel in almost half from 2.09 in 1990 to 1.07 in 2014- the lowest number since the National Highway Traffic Safety Administration's (NHTSA's) Fatality Analysis Reporting System (FARS) first began collecting data in 1975. Additionally, NHTSA's most recent estimate has seat belt usage at around 87 percent. These statistics tell a great story, but more work must be done - especially in light of the roughly 9 percent increase in motor vehicle fatalities in 2015, which outpaced the overall increase in Vehicle Miles Traveled (VMT).

According to NHTSA, nearly 94 percent of all crashes are caused by human error. Each year, drunk driving crashes represent roughly one-third of fatalities and nearly half of all passenger vehicle occupant fatalities are unbelted. In an era of advanced technology and social awareness, these numbers are astounding. We agree with NHTSA when they say that roadway safety is a shared responsibility between all stakeholders. That is why Alliance members continue to develop advanced technologies to provide the ever-safer and more fuel efficient vehicles that consumers can purchase in showrooms across the country. With continued innovation and protection of Dedicated Short Range Communications (DSRC) systems, the addition of driver assist technologies and the development of autonomous vehicles, we can make material improvements to further reduce the overall number of crashes and injuries on our nation's roadways.

As the Committee reviews past and future automotive safety, I would like to highlight several programs and advancements in vehicle technology that will help pave the way for the next

generation of safety improvements, some of which this Committee helped spearhead with the recent enactment of the FAST Act. With the right combination of your leadership, investment from manufacturers and participation from other stakeholders, we can continue to develop innovations that will better protect the traveling public unlike any other time in automotive history.

Proactive Safety Principles

Members of the Alliance and Global Automakers continue to advance the auto industry's dedication to motor vehicle safety. On January 15, 2016 at the North American International Auto Show in Detroit, MI, member companies came together with the DOT and NHTSA to announce a set of Proactive Safety Principles. These principles reflect a shared commitment by the auto industry and DOT to proactively work together to address the most critical safety concerns and to promote the steady improvement of vehicle safety and quality. Overall, the Principles will enhance and facilitate proactive safety, analysis and examination of the early warning reporting system, maximization of safety recall participation rates and automotive cybersecurity.

The first step to any relationship is communication. That is why the main objective of the Principles is to promote an open and more effective dialogue between NHTSA, automakers, and suppliers. This will help ensure that emerging safety issues are identified and addressed in an efficient and timely manner. In doing so, we hope to create an environment where industry and government are working with each other and not against each other. We share the common goal of saving lives on America's roadways and this is another step in realizing that goal.

The next step is to examine the current system and develop improvements that will have a direct impact on roadway safety. With the enhancement of the early warning reporting data system, we wish to incorporate advanced methods of data analysis to better identify potential risks sooner. Not only will we review the system as it currently exists to assess whether its tools are effective, but we will also develop a NHTSA and industry working group to explore potential changes and new processes that could further enhance the usefulness of this data.

As I previously stated in my testimony, the industry aims to increase recall completion rates towards the aspirational goal of 100 percent participation by all consumers. Through these Principles, the industry and NHTSA will work to develop new methods to increase recall participation rates for motor vehicle owners. We will also extend an invitation to other stakeholders such as dealers, state DMVs and state legislators to address the concerns of those individuals with older vehicles that aren't getting their vehicles repaired.

To highlight our commitment regarding increased recall participation rates, earlier this week the Alliance and Global Automakers sent dozens of letters to key stakeholders in the motor vehicle and auto insurance sector to underscore additional ways they can help inform their

customers when it comes to their auto insurance policy or when they register a vehicle to find out its subject to an open recall.

For instance, the following graphic[1] underscores how easy it would be for auto insurers and State Motor Vehicle Administrators to place an informational message and visual in their policy renewal notices to better inform owners about ways to find out if their vehicles are subject to an open recall and how to get it fixed at no cost to the owner. To underscore the Alliance's own commitment to this effort, we have posted this graphic and corresponding information on our website. In fact, we emphasize the NHTSA website, "SAFERCAR.GOV," as a resource to help both the driving public and the auto insurance industry as we work to close the gap that exists with recall participation rates.

Finally, while vehicles today continue to become ever-safer, we recognize that we live in a society where our industry will need to take additional steps to guard against potential threats that didn't exist just a few years ago. Cybersecurity is a global challenge that every industry must address. Automakers recognize that potential cyber threats are best managed through a proactive collaborative approach. Last year, members of the Alliance and Global Automakers proactively worked to establish an information sharing and analysis center, also known as the Auto–ISAC. The Auto-ISAC is a forum that promotes the voluntary sharing of cybersecurity threat and vulnerability information among its members. The goal of the Auto-ISAC is to increase visibility of cyber threats and contain any potential harm. Just a few weeks ago, the Auto-ISAC expanded its membership to include Delphi, marking the participation of the first of what will likely be a growing number of automotive suppliers in this effort. Similarly, we are continuing to work to add additional participants from the connected vehicle ecosystem. Additionally, members of the Alliance and Global Automakers have produced a Framework for Automotive Cybersecurity Best Practices. We are in the process of expanding on the framework and are committed to making industry best practices a continual on-going effort.

Implementation of the FAST Act

In addition to the efforts outlined in the Proactive Safety Principles, last year's multi-year transportation reauthorization included a host of important motor vehicle safety provisions that will also assist in making our roadways even safer. Foremost is the on-going work by NHTSA to implement the Inspector General's recommendations to improve defect identification. Through the enhancement of the early warning reporting system, as well as an annual priorities report and improvement of NHTSA's research efforts, the federal government should continue to provide meaningful programs and input that improve highway safety.

The auto industry agrees that every vehicle that is under a recall should be repaired. That is why automakers and dealers, through consumer and industry engagement, conducted an extensive study last year into the factors that cause vehicle owners to either repair their

[1] Attachment A - Alliance Recall Notification Graphic

recalled vehicle or not. Through this study, we discovered that while most consumers are aware of the recall, only a fraction of them actually get their vehicle repaired. We also learned that the older the vehicle is the less likely consumers are to have a recall completed.

For these reasons, the auto industry, NHTSA and Congress developed strategies and programs to help address unrepaired recalled vehicles. Through many innovative efforts including, the use of multiple languages for communications, industry partnerships with social media, the development of a department of motor vehicles registration notification grant program and the improvement of government websites, it is our intent to ensure that consumers are aware of the importance of recalled vehicles and get them repaired as quickly as possible.

In fact, just this past week the Alliance and Global Automakers sent letters to the Chairmen and Ranking Members of the House and Senate Appropriations Committees recommending that the FY 2017 Appropriations bill contain funding to support the FAST Act's pilot program for up to six state DMVs to notify vehicle owners at registration or renewal about open safety recalls.

Advanced Driver Assist Systems and Autonomous Vehicles

When we talk about the future of automotive safety, we must also discuss the advancements in crash avoidance technology, driving automation and even the promise of fully autonomous vehicles (AVs). In fact, consumers are already benefiting from Advanced Driver Assist Systems (ADAS) such as forward collision and lane departure warnings, adaptive headlights, blind spot detection, adaptive cruise control and autonomous braking. Through these advancements, research and testing, automakers are helping to improve highway safety, increase environmental benefits and positively improve the future of individual mobility. For example, such changes hold great promise when it comes to individuals who lack access to transportation or cannot afford the cost of vehicle ownership. This issue is particularly of interest to a number of disabled groups as well as older Americans. While many Alliance members have been working on autonomous technologies for years, only recently have certain technologies matured to the point that they could soon be utilized on our nation's roadways. And, as automakers and tech companies race to develop and deploy fully AVs, several hurdles remain.

For example, over the last several years, we have seen a growing interest at the state level to create additional regulations that, while well-intentioned, could hinder the safety advances and mobility options that AVs hold. A potentially conflicting and inconsistent regulatory environment is difficult – if not impossible – for manufacturers to follow, and it has the undesired effect of hindering innovation. With the development of federal leadership and a unified program for all states to follow, automakers can develop and test AVs in a consistent manner.

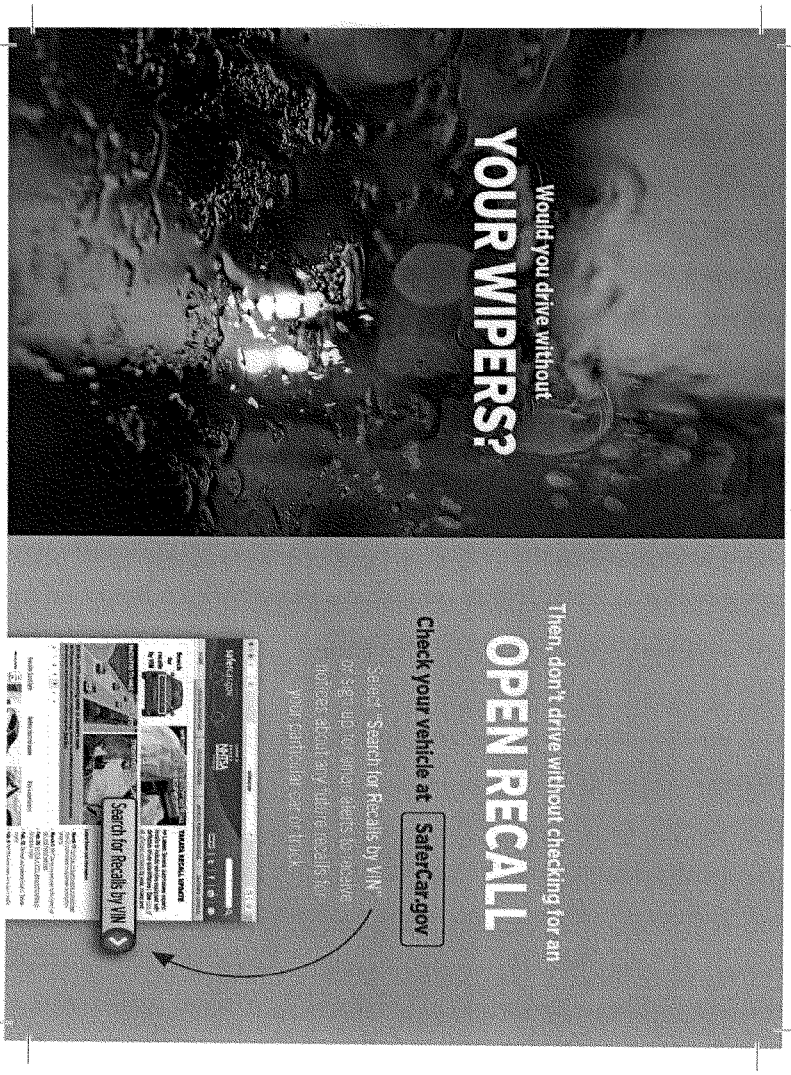
In 2013, after seeing several states pass laws on AVs, NHTSA put out a "Preliminary Statement of Policy on Automated Vehicles." The report provided a summary of NHTSA's research on AVs along with their impact on safety and provided policy recommendations to states on the operation and testing of self-driving vehicles. In January NHTSA updated this report by

announcing that by mid-year they "will propose best-practice guidance to industry on establishing principles of safe operation for fully autonomous vehicles." This report, combined with the President's FY2017 request for $4 billion over the next 10 years to accelerate the development and adoption of safe vehicle automation, provides reassurance that the federal government is aware of the necessary steps needed to advance the innovative efforts on AVs. Over the coming months, we feel that the work NHTSA is doing to provide best practice guidance to states is needed because of the unique and exclusive role that NHTSA plays when it comes to vehicle safety standards and its overarching authority with respect to motor vehicles. We also welcome the opportunity to work with the Energy and Commerce Committee and the Senate Committee on Commerce, Science, and Transportation when it comes to ensuring that the auto industry's innovation and safety efforts are realized by the driving public, including any additional clarifications to ensure that such innovations aren't hindered under the current regulatory structure.

Conclusion

In conclusion, we are at the crossroads of the next generation of automobiles. What we do now will determine the future of automotive safety and mobility. As we continue to develop advanced technologies it is critical that industry and government work collaboratively to find the sweet spot between regulation that protects consumers and promotes innovation. Once again, thank you for the opportunity to testify today and I look forward to working with all of you on the next steps in advancing technology and advanced safety systems within the automotive industry.

Attachment A



Mr. BURGESS. The chair thanks the gentleman. The gentleman yields back.

Mr. Bozzella, 5 minutes for your opening statement, please.

STATEMENT OF JOHN BOZZELLA

Mr. BOZZELLA. Thank you, Mr. Chairman. Ranking Member Schakowsky, thank you for the opportunity to testify today.

Global Automakers represents international automobile manufacturers and original equipment suppliers in the United States. Our members directly employ well over 100,000 Americans and sell over 40 percent of all new vehicles purchased in the country.

Our companies are improving the safety of vehicles in the road today and revolutionizing mobility. Automakers are competing furiously and taking the lead to introduce innovative technologies that address and solve problems.

I have submitted written testimony in which I discuss these matters in more detail. I will highlight two critical policy priorities that will help drive life-saving technologies into the marketplace. But first, I would like to update the committee on actions we are taking to improve recall completions.

The recent tragedy in Texas has shown that we must continue to work urgently to reach every affected customer and fix every single vehicle. Since we last met, the committee took decisive action in the FAST Act to investigate what we think is a very important idea, addressing recall completion through the vehicle registration process. We requested that appropriators fully fund the pilots. We have been encouraging states to look at this. And we urge NHTSA to release the request for proposal to get the process started.

The industry has been working hard to complete the Takata recalls by securing alternative airbag supply, by employing new methods beyond what is required by law to find, inform, and encourage owners to bring their vehicles in for repair and participating also in NHTSA's coordinated remedy program. The industry has also reached out to insurance companies, as Mitch just testified, asking for their help in notifying customers about open recalls.

In January, automakers joined with the Department of Transportation to announce the Proactive Safety Principles. Under the principles, we are working with NHTSA to share best practices to improve recall completion rates and to examine ways to better identify potential safety risks earlier. Together we, the industry, policymakers, regulators, and safety advocates have made substantial progress over the last 50 years but we have much more to do. Innovation in the automated and connected vehicle space is already producing significant public benefits.

There are two critical near-term priorities for federal regulators and policymakers to accelerate innovation and dramatically improve highway safety. First, the Federal Government needs to take leadership on vehicle automation. Federal policymakers have long recognized the public benefit of national motor vehicle safety standards that allow manufacturers to bring the latest advances in safety to consumers in all 50 states.

A patchwork of local and state laws will almost certainly slow innovation. For instance, what happens when an automated vehicle meets the design criteria for one state but not another? Would the

vehicle be banned from crossing the state line? The Federal Government, working closely with stakeholders, must quickly expand its leadership role to ensure the development of policies that foster, rather than inhibit innovation.

Secondly, the Federal Government must help accelerate the game-changing benefits that will come with connected cars. Moving NHTSA's proposed vehicle-to-vehicle rule forward will create an interoperable standard so all cars can communicate with each other and the infrastructure to warn drivers of dangers and ultimately avoid crashes.

After more than a decade of research and development and significant investment by both the public and private sectors, this technology is being tested on public roads and is ready for widespread deployment. Government support must ensure that both the vehicle standard is established and that access to the dedicated spectrum, free of harmful interference is maintained. With clear rules, innovation will flourish.

Exciting developments in the automated and connected vehicle space are creating tremendous benefits, yet bring challenges that must be addressed. I believe that collaboration is the key to ensuring that the benefits of these technologies reach consumers. There is no one single approach to achieve this goal. So, let's work together to develop and use the right tools in the right way.

Thank you for the opportunity to testify today and I look forward to your questions.

[The prepared statement by Mr. Bozzella follows:]

GlobalAutomakers

Aston Martin ◦ Ferrari ◦ Honda ◦ Hyundai ◦ Isuzu ◦ Kia
Maserati ◦ McLaren ◦ Nissan ◦ Subaru ◦ Suzuki ◦ Toyota

Testimony of John Bozzella

President and CEO, Association of Global Automakers, Inc. before the
House Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing and Trade
Oversight of the National Highway Traffic Safety Administration

April 14, 2016

Executive Summary

- Global Automakers members are improving the safety of vehicles on the road today and revolutionizing vehicle travel in the future. As outlined in the Proactive Safety Principles, automakers and the National Highway Traffic Safety Administration (NHTSA) are working collaboratively to improve automotive safety.

- The automotive industry is driving an unprecedented wave of innovation that is redefining transportation. Advancements in connected and automated vehicle technology present enormous opportunities for further improving auto safety and enhancing mobility.

- The federal government, working closely with stakeholders, must quickly expand its leadership role to ensure the development of policies that foster rather than inhibit innovation. Congress and federal regulators should lead a national approach for the regulation of automated and connected vehicles to prevent a patchwork of different state standards.

- Global Automakers urges the federal government to advance the pending rulemaking to mandate connected technology in new vehicles. The deployment of Dedicated Short Range Communications (DSRC) in the 5.9 GHz spectrum band will revolutionize the future of auto safety and transportation by enabling vehicles to communicate with each other and with infrastructure to support safety-critical applications, as well as mobility and environmental applications. The federal rulemaking will expedite deployment and set clear equipment standards that ensure interoperability among all vehicle makes and models.

- Automotive innovation in the automated and connected space is creating tremendous benefits, yet brings with it new challenges that must be addressed. Automakers have launched industry-led initiatives to address these emerging issues because we need to assure consumers that they can safely and reliably benefit from these technological advances, and because we believe that industry-led approaches can provide greater flexibility to respond in this dynamic environment.

- Government and industry stakeholders must work collaboratively to encourage innovation and help realize the benefits that new technologies will bring.

Testimony

Chairman Burgess and Ranking Member Schakowsky, on behalf of the Association of Global Automakers (Global Automakers), I thank you for the opportunity to testify before the Subcommittee today. Global Automakers represents international automobile manufacturers that design, build, and sell cars and light trucks in the United States. Our member companies have invested $52 billion in U.S. based facilities, directly employing more than 97,000 Americans, and selling over forty percent of all new vehicles purchased annually in the country. Combined, our members operate more than 275 production, design, R&D, sales, finance, and other facilities across the country.

Mr. Chairman, you have convened this hearing to examine a number of important issues regarding automotive safety. Our members are committed to improving the safety of vehicles on the road today and revolutionizing mobility in the future. Automakers are taking the lead in introducing innovative technologies to solve problems. The federal government must provide leadership to create national policy that facilitates the introduction of these technologies and their benefits across the country.

This past January, eighteen automakers and the U.S. Department of Transportation (DOT) joined together to announce a series of initiatives to improve vehicle safety. Known as the Proactive Safety Principles, they build on the important work already underway in the industry to enhance automotive safety. By working collaboratively with DOT and the National Highway Traffic Safety Administration (NHTSA) and leveraging combined resources, we can accelerate the benefits of new technologies and further our shared goal of continuously improving motor vehicle safety. The Safety Principles cover a range of areas from enhancing automotive cybersecurity to improving the safety recall process.

Improving Safety Recall Process

With respect to safety recalls, the industry is working not only to maximize recall completion rates, but also to improve data analysis so that potential defects can be identified sooner. The nature and scope of the recent Takata recalls have brought to light some fundamental questions about the recall process, and the industry is taking a number of steps to address these overarching challenges. Automakers are working urgently to secure alternative suppliers for replacement airbags and inflators, and to employ new methods, beyond federal requirements, to find, inform, and encourage owners to bring their vehicles in for repair. Automakers are also working with NHTSA to share recall remedy best practices and lessons learned to improve recall completion rates across the industry.

Understanding consumer behavior is important in determining which strategies will help to increase recall completion rates. Global Automakers and the Auto Alliance initiated a consumer attitude survey to better understand why roughly one in four vehicle owners who receive a recall notice do not complete the necessary repairs – a service that is provided free to the consumer. Survey respondents indicated overwhelming support for the idea of receiving recall information from their state Department of Motor Vehicles (DMV) offices. In fact, more than 70 percent of the respondents supported not only notification at registration, but also a requirement that recalls be remedied prior to registration. These findings indicate that a requirement to remedy a recall at the point of state vehicle registration could dramatically improve recall remedy rates.

The pilot grant program included in the FAST Act provides an important opportunity to explore how state DMVs can help improve recall repair rates by providing notice of open recalls at the point of registration. Global Automakers has been meeting with state policymakers to promote the pilot program. We also joined with the Auto Alliance last week to send letters to House and Senate Appropriations Committees requesting sufficient funding for this program. Additionally, we have sent letters to the American Association of Motor Vehicle Administrators and the Governors Highway Safety Association encouraging states to participate. NHTSA should issue its Request for Proposal as soon as possible to get this program started.

Complementing the pilot program initiative, we are asking auto insurers for assistance in raising consumer awareness of safety recalls, as they are another important touch point for automobile owners. Insurers should make available to each policy holder – at initial sign-up or policy renewal – information regarding the federal government's motor vehicle safety recall look up tool at safercar.gov or other means for accessing the recall status of their vehicle. The letter further suggests that insurers consider notifying consumers of open safety recalls involving vehicles covered by the insurance policy.

While we appreciate the concerns of state legislatures about safety recalls, we believe that states should work with the auto industry, federal regulators and other stakeholders to complement the work already underway at the national level. Differing state actions could create a patchwork of narrowly focused bills with inconsistent rules. The Proactive Safety Principles recognize that states, including legislators and motor vehicle administrators, have a seat at the table to develop and implement a meaningful and comprehensive national recall solution.

Vehicle Technology Advancements

Apart from improvements in recall completion rates, the Safety Principles recognize the substantial progress made in auto safety over the past decades and set forth a framework for enhancing highway safety in the future. Since the passage of the National Traffic and Motor

Vehicle Safety Act in 1966, fatalities as a share of miles travelled are down 80 percent, and are down 26 percent over the past decade alone. From designs and technologies that provide protection to occupants involved in crashes to vehicle technologies that assist drivers in avoiding crashes altogether, the auto industry has made a significant contribution to motor vehicle safety.

The industry is driving an unprecedented wave of technological innovation that is redefining transportation. Advancements in connected and automated vehicle technology present challenges and opportunities for regulators and for automakers, but our shared goal remains the same – to promote vehicle safety. Drivers are already seeing the benefits of advanced crash-avoidance and mobility features such as automatic emergency braking, lane keep assist, and adaptive cruise control. DOT recently announced their Smart City Challenge to provide up to $40 million to one city to help it become the country's first city to fully integrate innovative technologies such as connected and automated vehicles into their transportation network, and received 78 applications in response.

In this dynamic environment, it is important that legislation, regulation or other government actions be considered in a way that is flexible and responsive to changes in technology so that the benefits of connected and automated vehicles can be fully achieved. We must understand not only what policies may be necessary to encourage the safe and widespread development, adoption, and integration of these advanced systems into the fleet, but also whether there are existing policies that unintentionally act as an impediment to innovation.

The integration of advanced technologies will have a profound impact on society, and will require an unprecedented degree of coordination between federal, state and local governments, industry stakeholders and the public. There are distinct roles that each level of government can play in addressing specific issues, but the result should be a consistent, national approach that enables the widespread adoption of technology that improves safety and mobility.

Automated Vehicles

A key national policy objective should be avoiding a patchwork of different federal and state standards for advanced technologies. With respect to automated vehicles, states such as California, Nevada, Florida, and Michigan, as well as the District of Columbia, have already enacted laws that in different ways will impact the way automakers design and develop vehicles. Each of these states has taken a slightly different approach to the issue, even using different definitions of what constitutes an automated vehicle. These differences will present significant challenges to innovation and deployment. For instance, what would happen when an automated vehicle is certified as meeting the design criteria for one state but not another state? Would the vehicle be banned from crossing the state line? Federal policymakers have long recognized the public benefit of having federal motor vehicle safety standards that limit state action and allow

manufacturers to design, produce and sell the same vehicles across fifty states. We believe that the federal government, working closely with key stakeholders, should quickly expand its leadership role to ensure the development of policies that foster and not inhibit innovation.

Connected Vehicles

NHTSA's forthcoming proposed rule to mandate Dedicated Short Range Communications (DSRC) technology for vehicle-to-vehicle communication is an excellent example of the leadership necessary to encourage innovation. A DSRC mandate is critical to the fleet-wide adoption of this game-changing technology as it would ensure that all vehicles are able to communicate with each other using a compatible protocol. Based on the Advance Notice of Proposed Rulemaking, we anticipate that the rule will require specific equipment while providing automakers the freedom to innovate in the development and implementation of applications.

This rulemaking and the underlying technology is a critical building block for future advances in automotive safety and mobility. DSRC technology, supported by the 5.9 GHz spectrum band, enables continuous, high-speed, and authenticated data exchange among moving vehicles and between vehicles and roadway infrastructure or mobile devices (collectively referred to as V2X), to support safety-critical applications, as well as mobility and environmental applications. DSRC-supported V2X applications allow the transmission of messages between vehicles about vehicle speed, heading, brake status, and other information with range capabilities that exceed camera or radar-based systems currently supporting automated features. Additionally, this form of connectivity can facilitate the transition to a more automated fleet.

Private industry and the federal government, in an over ten year partnership, have made major investments to develop and prove DSRC technology and create V2X applications. This technology has already been deployed in vehicles on public roads in Ann Arbor, Michigan. In September 2015, DOT selected three additional locations, New York City, Tampa, and the State of Wyoming, as Connected Vehicle Pilot sites. These sites will deploy DSRC-based solutions in public settings to address pedestrian safety, expressway and urban congestion, and weather events affecting an interstate corridor heavily used by trucks. The New York City pilot will include 10,000 vehicles and hundreds of intersections. In addition, one major auto manufacturer has already announced that it will be introducing DSRC capabilities on one of its models this year.

The Federal Communications Commission (FCC) allocated the 5.9 GHz band for intelligent transportation services covering numerous safety and mobility applications. While deployment of DSRC is moving ahead, a regulatory proceeding is pending at the FCC to consider opening up the band for unlicensed use, which could cause harmful interference to DSRC applications. Any interference would jeopardize the deployment of the latency-sensitive applications designed for

the 5.9 GHz band. While Global Automakers supports the FCC's exploration of spectrum sharing, no decision should be made until it is proven that a sharing proposal will not cause harmful interference to any DSRC applications deployed throughout the band.

Privacy and Cybersecurity

Automotive innovation in the automated and connected space is creating tremendous benefits. Of course, innovation brings with it new challenges that must be addressed. The industry has taken decisive actions in a number of areas. Automakers have launched industry-led initiatives to address these issues because we need to assure consumers that they can safely and reliably benefit from these technological advances, and because we believe that industry-led approaches can provide greater flexibility to respond in this dynamic environment. As Administrator Rosekind has said, regulators and industry must be nimble and flexible to address rapidly changing technologies.

I would like to highlight the industry's efforts in two important areas: protecting consumer privacy and guarding against cyber threats. Automakers proactively took steps in 2014 to establish FTC-enforceable privacy principles to protect consumers' personal information. These principles outline the various types of vehicle and driver information that are collected and how this data is used; they treat personally identifiable information, such as geolocation, driver behavior, and biometric information, with additional heightened protections. All major automakers have committed to putting these standards into practice on all of the vehicles they produce on or after January 2016.

On the cybersecurity front, the auto industry proactively established the Auto Information Sharing and Analysis Center, or Auto-ISAC, to share intelligence on immediate threats and vulnerabilities between industry stakeholders, and did so before any real-world cyber incidents. In addition, Global Automakers, the Auto Alliance, and the Auto-ISAC are currently developing cybersecurity best practices based on the Cybersecurity Principles Framework published by the auto industry in January of this year. This industry-led approach supports the development of built-in cyber protections while at the same time providing flexibility to adapt quickly as the cybersecurity landscape changes. We will continue to provide NHTSA with updates on these developments.

* * *

This is an exciting time for the auto industry as vehicle manufacturers are bringing transformative new technologies to the market. As we move forward, public and private sector stakeholders must work collaboratively to encourage innovation and help realize the benefits that new technologies will bring. Thank you for the opportunity to provide testimony today. I look forward to your questions.

Mr. BURGESS. The chair thanks the gentleman.

The chair recognizes Mr. Wilson, 5 minutes for your opening statement, please.

STATEMENT OF MICHAEL WILSON

Mr. WILSON. Chairman Burgess, Ranking Member Schakowsky, and members of the subcommittee, I appreciate the opportunity to testify before you today.

My name is Michael Wilson and I am CEO of the Automotive Recyclers Association. The ARA is dedicated to the efficient removal and reutilization of genuine original equipment automotive parts. The ARA represents the interests of over 4,500 professional automotive recyclers in the United States who each day sell over 500,000 recycled parts. These quality, recycled original equipment parts are designed by automobile manufacturers and built to meet their requirements for fit, finish, durability, reliability, and safety. These parts are often subsequently reutilized in the repair and service of vehicles and continue to operate as they were originally intended.

I come before you today with appreciati on for the Congress, including a provision in FAST Act that provides the automotive recycling industry to OE parts data on all recalled automotive parts and to discuss the important steps that must be taken to implement the provision.

While the language in the FAST Act does not provide for access to all parts data for every motor vehicle, as did the version that passed the full House on November 4th of last year, it does signify the importance of part numbers to enhance consumer safety.

ARA applauds Administrator Rosekind's goal of 100 percent remedy rates for safety recalls and has had numerous discussions with the Administrator and NHTSA staff over the last several years. Since passage of the FAST Act, ARA has not had detailed conversations with NHTSA on this issue. However, we believe our previous outreach to NHTSA and the Congress has provided the Agency with significant insight into the data must be made available electronically to address consumer safety concerns.

ARA's leadership and staff stand ready to provide the agency with assistance on the complexities of part identification in the recycled parts supply chain. Specific data requirements need to be addressed to ensure that the new law has the positive and effective outcomes as intended.

In my comments, I will address three main issues that need to be addressed by NHTSA for successful implementation.

First, the provision's purpose is to provide the recycling industry with the recall data necessary to specifically identify automobile manufacturers' defective parts in the automotive supply chain. As I testified before this Subcommittee last October, the data on part names, part descriptions and part numbers must be tied to specific VIN numbers for recyclers to be able to identify manufacturers' defective parts.

The relationship between specific VINs and each vehicle manufacturer part number enables processing of the data with standard IT systems. It is only with access to specific VIN numbers tied to standardized parts information that the industry's commercial in-

ventory management system providers and large independent operators have the ability to cost effectively develop software that can automatically identify manufacturers' defective recall parts that are in recyclers' inventories or identity the vehicles which contain recalled parts prior to purchase by recycler.

However, with only VIN ranges, the industry would be limited to manually mapping each recall campaign, a process that one inventory management system provider has already attempted, only to determine that it is so time consuming that having to manually map up the thousands of manufacturer recalls using VIN ranges would bankrupt the company.

Secondly, ARA maintains that no new government database needs to be developed because manufacturers are already required by statute to maintain publicly available lists of specific VINs of the vehicles involved in recall that are included in a quarterly report.

Currently, the statute also requires that these reports continue to be available online through www.safercar.gov as part of the manufacturer's recall file. The current rule also requires manufacturers to submit their part 573 notification reports through NHTSA's internet Web site portal. Given that manufacturers already submit quarterly recall reports electronically to NHTSA, ARA believes that the process may only involve a modest technical correction to provide stakeholders timely access to data fields within these reports, which in turn would allow these parties to cross-check that information with the inventories of recyclers. However, providing these reports in a non-integratable format is unacceptable. NHTSA's implementing language must adopt parts identification methods that embrace advancements in information technology resulting in a state-of-the-art electronic processing methods based on the relationship between the VIN and part numbers. Vehicle manufacturers themselves use this VIN–OE number relationships in their own parts ordering systems. Automobile manufacturers' refusal to grant access to this precise parts identification method leads to a monopoly on critical safety information that puts consumers at risk and the entire independent replacement parts market at a disadvantage.

It is no longer a matter of letting motor vehicle manufacturers decide whether it suits their business model to grant access to this data or not. It is a consumer safety concern that NHTSA must address.

Lastly, it is important that NHTSA adequately address the scope of data that will be provided to the professional automotive recycling industry. To effectively address requirements under the TREAD Act as well as new requirements contained in the FAST Act that requires manufacturers to financially remedy their recall defects going back 15 years, automobile manufacturers must be required to provide this recalled parts data back to November 2000 to cover the 10,252 recall campaigns over this time period.

It is only through comprehensive access to both original equipment part numbers of recalled parts, tied to specific VINs that manufacturers and recyclers can come together to enhance overall motor vehicle safety; help improve recall remedy rates; and seek to

effectively address the federal recall remedy requirements for used equipment enacted 15 years ago in the TREAD Act.

I am thankful for the attention of the Congress in the oversight of this critical safety issue and I thank you for this opportunity to speak before you today.

Thank you.

[The prepared statement of Mr. Michael Wilson follows:]

Automotive Recyclers Association Statement on

"Oversight of the National Highway Traffic Safety Administration"

House Commerce, Manufacturing and Trade Subcommittee

of the

U.S. House Energy and Commerce Committee

April 14, 2016

Chairman Burgess, Ranking Member Schakowsky, and Members of the Subcommittee, I appreciate the opportunity to testify before you today. My name is Michael Wilson and I am the CEO of the Automotive Recyclers Association (ARA).

The ARA is dedicated to the efficient removal and reutilization of genuine original equipment (OE) automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents the interests of over 4,500 professional automotive recycling facilities in the United States who each day sell over 500,000 recycled original equipment parts directly to consumers, mechanical/collision repair shops and automobile dealers. These quality, recycled OE parts are designed by automobile manufacturers and built to meet their requirements for fit, finish, durability, reliability and safety. These parts are often subsequently reutilized in the repair and service of motor vehicles throughout their lifespan and these replacement parts continue to operate as they were originally intended in terms of form, function, performance and safety.

I come before you today with appreciation for the Congress including a provision in the Fixing America's Surface Transportation (FAST) Act that provides the automotive recycling industry and others with access to critical OE parts data on all recalled automotive parts and to discuss the important steps that must be taken to implement this provision. While the language in the FAST Act does not provide for access to all parts data for every motor vehicle, as did the version that passed the full House on November 4, 2015, it does signify the importance of part numbers availability to enhanced consumer safety.

ARA applauds NHTSA Administrator Rosekind's goal of 100 percent completion rates for safety recalls and has had numerous discussions with the Administrator and NHTSA staff over the last several years. Since passage of the FAST Act, ARA has not had detailed conversations with NHTSA on this important issue. However, we believe our previous outreach to NHTSA and Congress has provided the Agency with significant insight into why the data must be made available electronically to address vital consumer safety concerns.

ARA's leadership and staff stand ready to provide the Agency with technical assistance on the complexities of part identification in the recycled parts supply chain. Specific data requirements need to be addressed to ensure that this new law has the positive and effective outcomes as intended. In my oral comments, I will address 3 main issues that need to be satisfactorily addressed by NHTSA for successful implementation.

First, the provision's purpose is to provide the professional automotive recycling industry with the recall data necessary to specifically identify automobile manufacturers' defective parts in the automotive supply chain. The only way to determine exactly which particular part is built into a vehicle is to clearly identify a part, system or component by its vehicle manufacturer's OE parts number, which is related to the unique Vehicle Identificant Number (VIN) of each motor vehicle. As I testified before this Subcommittee last October, the data on part names, part descriptions and part numbers must be tied to specific VIN numbers for automotive recyclers to be able to efficiently identify automobile manufacturers' defective parts.

NHTSA needs to understand prior to implementation the distinction between "specific VINs" versus "VIN ranges". Unrestricted access to specific VIN recall data is critical to the automotive recycling industry. VIN ranges simply do not yield specific enough information to accurately and efficiently identify defective parts in the parts supply chain.

The relationship between specific VINs and each unique motor vehicle manufacturer's OE part numbers in a digital form enables access to and processing of the data with standard IT systems. It is only with access to specific VIN numbers tied to standardized parts information -- such as part names, part numbers and part descriptions -- that the industry's commercial inventory management system (IMS) providers and large independent operators have the ability to cost effectively develop software that can automatically and electronically identify manufacturers' defective recall parts that are in professional automotive recyclers' inventories, or identity the vehicles which contain those recalled parts prior to purchase by the automotive recycler.

To illustrate the critical distinction between specific VINs versus VIN ranges, please consider the following scenario. With access to specific VINs, a software application could automatically identify vehicles containing defective parts as well as those parts to be removed from inventories, significantly helping NHTSA reach its 100 perfect remedy goal. However, with only VIN ranges, the industry would be limited to manually mapping each recall campaign - a process that one IMS provider has already attempted, only to determine that it is so inefficient and time consuming that it ceases to be effective. In fact, this major IMS provider

representative indicated that having to manually map the thousands of automobile manufacturers' recalls using VIN ranges would bankrupt the company.

It is important to note that six to eight major inventory management stakeholders process an estimated 95 percent of the parts inventoried by professional automotive recycling facilities. With precise recalled parts data associated with specific VINs and made available in a standardized and electronic format, these inventory management stakeholders and professional automotive recyclers will have the tools necessary, as envisioned by Congress, to enhance recall efficiency.

It is also important to note that motor vehicle manufacturers change their original parts and components along with their OE-replacement part numbers frequently. This may be due to product development, logistical, or commercial reasons such as changing an OE supplier. Motor vehicle manufacturers do not communicate these changes to the professional automotive recycling industry. When recyclers are not aware of these changes or "silent recalls", there is a data gap that may create circumstances where recyclers are unable to efficiently identify unsuitable parts or faulty components. For this reason, the ability to electronically access specific VIN data related to recalled OE parts in real-time is vital.

Second, ARA understands that reservations have been expressed by some interested parties about asking NHTSA to take on additional responsibility for database development and management. However, the ARA maintains that no new government database needs to be

developed because manufacturers are already required under 49 CFR Section 573.8 to maintain publicly available lists of specific VINs of the vehicles involved in a recall that are included in a manufacturer's quarterly report.[1]

Currently, the statute also requires that "these reports continue to be available online through www.safercar.gov as part of the manufacturer's recall file".[2] The current rule also requires "manufacturers to submit their part 573 notification reports through NHTSA's Internet web-based portal".[3]

Given that automobile manufacturers already submit quarterly recall reports electronically to NHTSA, ARA believes that the process may only involve a modest technical correction to provide IMS stakeholders timely access to data fields within these reports, which in turn would allow these parties to cross-check that information with the inventories of professional automotive recyclers. Providing these reports in a portable document format (pdf) or other non-integratable format requiring inventory management systems to manually read each file or data field is unacceptable and unworkable. We understand that there may be other possible

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[1] *Federal Register/Vol. 78, No. 161/Tuesday, August 20, 2013/Rules and Regulations, Page 51385: Section 573.8 requires manufacturers to maintain lists of VINs of the vehicles involved in a recall as well as the remedy status for each vehicle to be included in a manufacturer's quarterly reporting as specified in Section 573.7.*

[2] *Federal Register/Vol. 78, No. 161/Tuesday, August 20, 2013/Rules and Regulations, Page 51399: Manufacturer quarterly reports will continue to be available online through ww.safercar.gov as part of the manufacturer's recall file, as they are currently required. Section 573.8.*

[3] *Federal Register/Vol. 78, No. 161/Tuesday, August 20, 2013/Rules and Regulations, Pages 51418-51419: NHTSA requires submission of these reports through NHTSA's Internet web-based recalls portal.*

alternatives to efficiently and cost effectively providing this information, and ARA and its members stand ready to work with NHTSA and the automobile manufacturers to develop that solution.

NHTSA's implementing language must adopt parts identification methods that embrace advancements in information technology resulting in a state-of-the-art electronic processing method based on the relationship between the VIN and part numbers. Motor vehicle manufacturers themselves use this VIN-OE part number connection to increase the efficiency in their own parts ordering systems. Automobile manufacturers' refusal to grant access to this precise parts identification method leads to a monopoly on critical safety information that puts consumers at risk and the entire independent replacement parts market at a disadvantage. It is no longer a matter of letting motor vehicle manufacturers decide whether it suits their business model to grant access to this data or not. It is a consumer safety concern that NHTSA must address.

Lastly, it is important that NHTSA adequately address the scope of data that will be provided to the professional automotive recycling industry. To effectively address requirements under the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act of 2000 as well as new requirements contained in the FAST Act that requires automobile manufacturers to remedy their recall defects going back 15 years, automobile manufacturers must be required to provide this recalled parts data back to November 2000 to cover the 10,252 recall campaigns over this time period.

It is only through comprehensive access to both original equipment part numbers of recalled parts, tied to specific VINs and other OE parts identification information that automotive manufacturers and professional automotive recyclers can come together to:

- Enhance overall motor vehicle safety;
- Help improve recall remedy rates; and
- Seek to effectively address the federal recall remedy requirements for used equipment enacted 15 years ago in the TREAD Act.

We are grateful for your Congressional attention and oversight of this critical safety issue. The ARA, as representative of 4,500 professional automotive recyclers, respectfully requests a swift and productive implementation process, and is committed to working together with NHTSA and the automotive manufactures, to that end. Once again, thank you for this opportunity to come before you today.

Mr. BURGESS. The chair thanks the gentleman.

Ms. Gillian, you are recognized for 5 minutes for an opening statement, please.

STATEMENT OF JACQUELINE GILLIAN

Ms. GILLIAN. Thank you very much. Good morning, Chairman Burgess, Ranking Member Schakowsky, and members of the subcommittee.

I am Jackie Gillian, President of Advocates for Highway and Auto Safety, a coalition of consumer health and safety and insurers working together to save lives by promoting adoption of highway and auto safety laws.

I appreciate the opportunity to testify before you this morning.

Although motor vehicle deaths are on the rise, the good news is that we have solutions at hand to reduce this death and injury toll. There is an unfinished and overdue safety agenda which needs attention and action by Congress and NHTSA. I would like to briefly highlight several needed improvements.

The grim statistic about rising deaths comes at a time when Americans are also facing a record number of recalls for vehicle safety defects, which has been mentioned repeatedly this morning. The dangers posed by the record high number of recalls are exacerbated by the disturbingly low rate for completing repairs. However, the most effective and direct solution can be summed up in one word, prevention. The auto industry must identify safety problems sooner and take corrective action immediately.

Millions of vehicles are under recall today, about one out of five registered vehicles because known safety defects were hidden for years from the public and from NHTSA. Now, consumers must bear the burden of driving defective vehicles, waiting months for replacement parts, and taking time to bring in their vehicles for repairs.

Other necessary solutions are closing the loophole that permits dealers to sell used cars under recall, linking vehicle registration with repairing defects and providing NHTSA with imminent hazard authority to immediately stop the manufacturing of defective vehicles.

Additionally, we commend the increased funding levels adopted in the FAST Act for NHTSA but it is still not enough to address the numerous challenges facing the agency. Insufficient resources will hamper NHTSA is available to ensure the safety of the car of today, as well as the safety of the car of tomorrow.

One of the chronic problems facing NHTSA is timely completion of important rulemakings required by Congress. And I know there was focus on how well they were doing addressing the FAST Act requirements. There are many MAP–21 requirements that are overdue, some by more than a year. These include final rules due in 2014 to improve occupant protection in motor coaches for the roof strength and anti-ejection protection. In addition, motor coach fires are frequent, oftentimes fatal, and yet completely preventable. NHTSA has been ignoring repeatedly NTSB recommendations and their own research about strategies and rules that can be implemented to address fire prevention and that needs to change.

Child occupant protection is another top priority. Again, NHTSA has delayed conducting rulemakings required by Congress that affect the safety of all of our children. For example, rules requiring seatbelt reminders and improving the LATCH system for proper child restraint installation were due last October and still haven't been issued.

Also, as you mentioned Chairman Burgess, millions of children riding in the back seat are needlessly at risk but there are solutions available. There is no need for a child to tragically die from hyperthermia or hypothermia when inadvertently left behind in a vehicle or because the seat back fails in a crash and kills or seriously injures a child sitting behind a front seat passenger.

It is time for NHTSA to issue rules requiring technology to alert adults to unattended children left in a car and to update the seat back strength standard, which was issued in 1967.

Unfortunately, the FAST Act did not adopt important safety solutions that are still needed and contained in the Vehicle Safety Improvement Act of 2015. These include removing the cap on civil penalties, prohibiting regional recalls, upgrading early warning reporting requirements, and improving pedestrian safety.

Advocates also believe that the advent of driverless cars in the future holds great promise to advance safety. However, federal oversight, minimum performance standards, as well as transparent and verified data are essential in the process. Consumers should not be guinea pigs in this experiment and NHTSA cannot be a passive spectator.

Fifty years ago, Congress passed and President Johnson signed into law the National Traffic and Motor Vehicle Safety Act of 1966 to protect the public against, and this is quoted from the law, unreasonable risk of accidents occurring because of the design, construction, or performance of motor vehicles. The underlying principles of this prescient 50-year-old law have not changed. But in order for the agency to fulfill its statutory mission, NHTSA needs sufficient resources and a strong resolve to use its regulatory and enforcement authorities to protect the public.

Thank you very much.

[The prepared statement of Ms. Gillian follows:]

STATEMENT OF JACQUELINE S. GILLAN

PRESIDENT
ADVOCATES FOR HIGHWAY AND AUTO SAFETY

ON

"OVERSIGHT OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION"

BEFORE THE

COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON COMMERCE, MANUFACTURING AND TRADE

APRIL 14, 2016

Introduction

Good morning Chairman Burgess, Ranking Member Schakowsky and Members of the Subcommittee. I am Jackie Gillan, President of Advocates for Highway and Auto Safety (Advocates). Advocates is a coalition of public health, safety, and consumer organizations, insurers and insurance agents that promotes highway and auto safety through the adoption of safety laws, policies and regulations. Advocates is unique both in its board composition and its mission of advancing safer vehicles, safer drivers and safer roads.

Motor Vehicle Deaths are Climbing and the Safety Agenda Languishes

According to the federal government, each year motor vehicle crashes kill nearly 33,000 people and injure millions more at a cost to society of over $800 billion.[1] Unfortunately, deaths resulting from motor vehicle crashes are on the rise. The most recent data available from the National Highway Traffic Safety Administration (NHTSA) indicates that traffic fatalities in the first nine months of 2015 increased by 9.3 percent compared to that same time frame the previous year.[2] Moreover, the National Safety Council estimates that motor vehicle deaths were up 8 percent in 2015 compared to 2014, representing the largest year-over-year percent increase in 50 years.[3]

The good news is that we have solutions on hand to reduce this unacceptable increase in needless deaths and injuries on America's roads. There is an unfinished and overdue agenda in ensuring the safety of drivers and vehicles.

Earlier this year Advocates released our 13th annual *Roadmap of State Highway Safety Laws*.[4] The Roadmap Report serves as a "report card" for all 50 states and the District of Columbia, grading them on enactment of 15 basic traffic safety laws. It can be a valuable "playbook" for state lawmakers to assess safety shortcomings in states and advance needed bills to save lives and prevent injuries. The report covers: occupant protection including seatbelts, child restraints and motorcycle helmets; Graduated Driver Licensing (GDL) programs for novice teen drivers; impaired driving; and, distracted driving.

The theme of this year's Report, "Missing in Action," was chosen because every state is still missing critically important safety laws, yet state elected officials are frequently missing in action. Last year, the fewest number of states enacted safety laws since Advocates began publishing the report in 2004.[5] A total of 319 laws still need to be adopted in all states and D.C. to fully meet Advocates' recommendations for optimal safety laws.[6] State legislatures, as well as Congress, must be willing to use tools that have been proven to effectively reduce the death and injury toll on our nation's roads.

Vehicle Safety Recalls are a Serious Threat to Public Safety

The grim statistics about far too many deaths and injuries resulting from crashes comes at a time when Americans are also facing a record number of recalls for safety-defective motor vehicles. In 2015, nearly 900 vehicle recalls involving 51 million vehicles were issued eclipsing the previous record set in 2014.[7] History has shown that when automakers place defective vehicles into the marketplace, there are deadly consequences. In 2000, congressional hearings and the media revealed hundreds of needless deaths and injuries caused by the Firestone/Ford Explorer

defective tire fiasco. Again, in 2009, families were put at unacceptable risk due to the Toyota sudden acceleration problem. In the past two years, the public has learned about the cover-ups and deception by General Motors (GM) which knowingly used faulty ignition switches that have been linked to at least 169 deaths,[8] and many more injuries. Furthermore, the defective air bags manufactured by Takata have resulted in millions of vehicle recalls and has caused at least 10 deaths and 100 injuries.[9]

Moreover, the rate that NHTSA has issued recalls for vehicles that contain these exploding air bags is deeply disturbing. The agency first issued a recall in May of 2015 but it failed to cover all of the vehicles that contained Takata air bags. In fact, the agency has yet to identify all the vehicles that are equipped with these deadly devices.[10] These defective air bags are still killing drivers long after they should have been removed and replaced – and not with airbags that may also be defective.

Some examples of the most recent problems include NHTSA's confirmation that a 17-year-old girl from Texas was killed on March 31, 2016, less than two weeks ago, after her car was involved in a low speed crash and the malfunctioning air bag activated.[11] On March 24, 2016, BMW informed NHTSA that it will be unable to meet its March 31 deadline to acquire a sufficient supply of remedy parts for a Takata inflator under recall. The alternate inflator that BMW's supplier had developed failed during recent testing. NHTSA has now given BMW until August 31, 2016, to replace the defective air bags.[12] Also, on February 12, 2016, BMW, Daimler Vans, Ford, Honda, Mazda, Mercedes-Benz and Volkswagen expanded their Takata recalls to include vehicles equipped with driver-side air bag inflators that Takata has declared defective.[13]

By entering into voluntary agreements with manufacturers to recall defective vehicles instead of issuing official recalls enforced by a federal court, NHTSA is encouraging manufacturers to slow walk recalls with deadly consequences as demonstrated by the ongoing fiasco involving Takata airbags. This seemingly never-ending nightmare will not be resolved until the agency recalls every vehicle that contains a deadly Takata air bag and they are replaced with air bags that have been proven to be safe.

The dangers posed by these record high levels of safety recalls are exacerbated by the disturbingly low rates for remedying safety defects. A 2012 report from NHTSA found that over one quarter of vehicle recalls were not completed between the years 2006-2010.[14] Moreover, the recall completion rate dropped to 48 percent from 56 percent in 2013, according to the consumer website Autotrader.[15] These bleak statistics indicate that manufacturers and NHTSA are not adequately informing the public about safety recalls and are not effectively motivating vehicle owners to remedy safety defects as required by federal regulations. Congress sought to address this problem in Section 24105 of the FAST Act which establishes a pilot program that provides grants for as many as six states to inform consumers of an open safety recall at the time of vehicle registration.[16] However, the threat to the public posed by vehicle safety recalls requires a much more vigorous and comprehensive response from Congress and NHTSA than a limited pilot program. NHTSA should be directed immediately to work with stakeholders in all states to ensure that consumers are informed about pending safety recalls at the time of vehicle registration, and to develop a program that would make vehicle registration or re-registration contingent upon having safety recalls remedied. Just as many states require vehicles to pass an annual safety or emissions inspection in order to remain on the road, vehicles subject to an open

safety recall should not be permitted to travel on public roads. Cars with serious defects pose an unnecessary safety threat not only to the vehicle operator but to others as well sharing the road.

Furthermore, Congress needs to close the loophole that allows auto dealers to sell used vehicles to consumers that have unrepaired safety defects. The FAST Act prohibits automobile dealers from renting any vehicles that are subject to a safety recall until they are fixed.[17] However, there is no such restriction on the sale of "used" vehicles even when they have the exact same defects such as defective brakes, faulty steering, or malfunctioning air bags and seat belts. The problem of selling these dangerous used cars is widespread. According to CarFax, the company that provides vehicle history reports to the public, 5 million vehicles with an open recall were bought and sold by consumers in 2014.[18]

Sufficient NHTSA Resources are Critical to Ensure the Safety of the Car of Today and the Car of Tomorrow

NHTSA's funding and staffing levels have suffered over the years and while the FAST Act did provide some additional resources it is still inadequate to deal with the myriad of challenges facing the agency. Today, 95 percent of transportation-related fatalities, and 99 percent of transportation injuries,[19] involve motor vehicles on our streets and highways and yet, NHTSA receives only one percent of the overall U.S. Department of Transportation (DOT) budget.[20] NHTSA is responsible for the safety of over 316 million Americans who drive or ride in more than 269 million registered motor vehicles.[21] Motor vehicle crashes are a leading cause of death for all Americans ages five to 24, and the second leading cause of death among adults 25 to 34 years of age.[22] By any measure motor vehicle deaths and injuries are a major and costly public health epidemic. In order to advance safety gains and improve the agency's effectiveness in

detecting, investigating and solving safety threats as well as meeting expected challenges in the future, a substantial increase in funding is essential and justified for NHTSA.

The current NHTSA budget for motor vehicle safety activities and research (including rulemaking, enforcement, research and analysis) is a small portion of NHTSA's overall budget. Current funding for NHTSA's Vehicle Safety and Research program was just $152.8 million for Fiscal Year (FY) 2016.[23] This funding level is grossly insufficient in the face of the agency's mission and safety responsibilities that affect every American and every registered motor vehicle on our roads. Moreover, this paltry sum has barely increased over the past nine years.[24] When accounting for inflation over that same time period, NHTSA has effectively experienced a 4 percent decrease in funding for operations and research activities. The agency's Vehicle Safety and Research budget of $153 million equates to NHTSA receiving less than 60 cents for each of the 269 million registered vehicles on the road in the U.S.[25]

While NHTSA's safety budget has shrunk in terms of its buying power, the number of vehicles on the road the agency must regulate has increased by 24 percent, from 217 million vehicles in 2000 to 269 million in 2013.[26] NHTSA remains woefully under-resourced and the agency's ability to keep up with technology developments, vehicle safety rulemakings and crash and injury trends is imperiled by the lack of sufficient resources. This inadequacy was made abundantly clear during the Toyota sudden acceleration crisis when the agency had few personnel with backgrounds and experience in electronics, and none with software experience.[27] The situation continues to be unacceptable. Today, in light of the dramatic increase in vehicle electronics, communications, software, new technology and the advent of autonomous vehicles,

the agency's lack of resources and sophisticated expertise threatens to undermine the essential lifesaving mission of this agency now and into the future.

The agency budget for vehicle safety should reflect its important lifesaving and cost-saving mission. Laws and programs administered by NHTSA are responsible for saving an estimated 613,501 lives from 1960-2012.[28] NHTSA's funding for vehicle operations and research should acknowledge the daunting challenges the agency faces and the tremendous workload NHTSA undertakes to ensure the safety of millions of Americans every day of the year.

Overdue Safety Actions and Rulemakings Passed by Congress and Promised by DOT

Advocates commends this Committee for including in the safety title of the Moving Ahead for Progress in the 21st Century Act, or MAP-21, several safety provisions directing agency regulatory actions on overdue lifesaving measures to improve motorcoach safety.[29] This mode of transportation is affordable, convenient and growing in popularity. In 2013, according the American Bus Association Foundation, the motorcoach industry in North America provided 605 million passenger trips.[30]

Safety deficiencies identified in countless recommendations and crash investigations by the National Transportation Safety Board (NTSB), have languished for years, even decades, until specific deadlines for agency action were enacted in MAP-21. However, even now, deadlines for the issuance of a number of final rules and other safety actions required by the legislation are delayed and statutory deadlines completely ignored. For example, the statutory deadline for a final standard for motorcoach roof strength and crush resistance is October 1, 2014. NHTSA

currently estimates a final rule will not be issued until September, 2016, nearly two years overdue. The rulemaking on anti-ejection countermeasures was also due by October 1, 2014, and has yet to be initiated.[31]

According to NHTSA's November 2015 Motorcoach Fire Safety Report, approximately 160 motorcoach fires are reported every year in the United States. Recently, the NTSB investigated a 2014 motorcoach crash and fire involving high school students on a college trip. The crash occurred in Orland, California and killed 8 motorcoach passengers as well as the driver.[32] As a result of its investigation, the NTSB made several safety recommendations including calling for more rigorous performance standards for interior flammability and smoke emissions characteristics, installation of a secondary door for use as an additional emergency exit, and equipping motorcoaches with emergency lighting fixtures and interior luminescent and exterior retroreflective material to mark all emergency exits in order to expedite passenger evacuation.[33] Section 32704 of MAP-21 directed NHTSA to research the causes of motorcoach fires and issue mitigation standards based on such research.[34] The agency completed the report on its research as noted above, and found that some actions could improve motorcoach fire safety. However, the agency has failed to issue any prevention and mitigation standards despite the glaring need for these safety improvements that will save lives.

All of these safety advances are critical as millions of passengers are transported by motorcoaches each year. These delays to ensure occupant protections in a crash or a deadly fire would never be tolerated in any other mode of transportation. It is both a safety and an economic

injustice to those who depend on motorcoach travel to ignore these needed basic safety measures.

Unacceptable & Unnecessary Delays in Child Safety Rulemakings

NHTSA delays in issuing rulemakings required by Congress are affecting the safety of children. The Cameron Gulbransen Kids Transportation Safety Act passed by Congress in 2007 with bipartisan support required NHTSA to issue a final rule to expand the required field of view for vehicles to lower the number of tragic backover deaths often involving young children.[35] The legislation required the agency to issue a final rule within three years of enactment, by February of 2011.[36] Yet, the agency did not issue a final rule until 2014 only after safety groups including Advocates and KidsAndCars.org as well as Cameron's father and other victims, represented by Public Citizen's litigation group, filed a legal action in federal court seeking the long overdue agency action.[37] In fact, the rule was not released until shortly before the Court was prepared to hear oral arguments on the matter.

Rear Seat Belt Reminders

The majority of passengers in the rear seats of vehicles are children and teens, and studies have shown that seat belt usage by teens is among one of the lowest segments of society. Further, in 2013, the proportion of unrestrained passenger vehicle occupants killed who were seated in the front seat was 44 percent, as compared to 55 percent for unrestrained rear seat occupants.[38] Section 31503 of MAP-21 required NHTSA to issue a rule requiring Seat Belt Reminder Systems for rear seat occupants by October of 2015.[39] The agency has yet to even initiate a rulemaking.[40] Such systems are already required for front seat occupants under FMVSS 208. Rear seat occupants, especially children, deserve the same protection.

Improving LATCH Systems

Section 31502(a) of the MAP-21 requires NHTSA to issue a rule to improve the ease of use of Lower Anchors and Tethers for Children, or LATCH, systems in rear seating positions by October of 2015.[41] The safety benefits of child restraint systems (CRS) are well documented. NHTSA reports that child safety seats saved the lives of 263 children under the age of 5 in 2013.[42] In addition, from 1975-2013, the agency estimates that 10,421 children under the age of 5 were saved by child safety seats and belt use.[43] Furthermore, research has shown that child safety seats reduce fatal injury by 71 percent for infants (younger than 1 year old) and by 54 percent for toddlers (1 to 4 years old) in passenger cars.[44] In fact, if all children were properly restrained NHTSA estimates that 319 lives could have been saved in 2013.[45]

Research has also shown that the use of the LATCH system improves the rate of proper CRS installation.[46] However, consumers are not using the LATCH system because they find the attachment connectors either difficult to use or hard to locate.[47] There are simple solutions that can make LATCH more user-friendly. It is imperative that the agency meets the congressional requirement to issue a rule that will make these systems easier to use. Yet, NHTSA has once again failed to meet the congressional deadline of issuing a rule by October of 2015. Instead, the agency issued a Notice of Proposed Rulemaking in January of 2015 and has failed to undertake any subsequent action.[48]

Other Child Occupant Protection Standards Needed

Unattended Children in Vehicle Reminders

Adults unintentionally leaving infants and young children in child restraint systems in the rear seats of passenger vehicles tragically leading to death has been, and continues to be, a known safety problem. Exposure of young children, particularly in extreme hot and cold weather, leads to hyperthermia and hypothermia that can result in death or severe injuries. From 1998 to 2014, 636 children were killed because of heatstroke,[49] and at least 30 children in the U.S. died of heatstroke in 2014 alone.[50] Of these needless deaths, more than half (53 percent) occurred when children were forgotten in the vehicle.[51] The risk of heatstroke is higher among children than adults because a child's body temperature heats up three to five times faster and the risk is exacerbated if the child is too young to communicate.[52]

Advocates supported Section 24114 of the FAST Act that requires NHTSA to conduct research on effective ways to minimize the risk of heat stroke to children left unattended in a vehicle. This research should be completed promptly as Congress originally called for such research to be undertaken by NHTSA in Section 31504 of MAP-21.[53] Moreover, this research should be the basis for a rulemaking that leads to a sensible safety standard. These inadvertent deaths can be avoided by equipping vehicles with sensors to detect the presence of the child and sound a warning at the time the driver locks the vehicle with a child inside. Similar warning features currently remind drivers when they have left the key in the ignition, left the headlamps on, and when a door or trunk is open while the vehicle is in motion. Surely, we can find a technological reminder to prevent parents, grandparents, childcare givers and others from committing a fatal mistake.

Rear Seatback Strength Standard

Parents have long been advised that the safest place for a child is in the rear seat. Yet, NHTSA has failed to adequately protect a child in the rear seat when the front seatback fails or collapses in a crash. This is a safety threat to both front and rear seat passengers. Unfortunately, the safety standard for seatback performance has not been upgraded since it was first adopted in 1967 – nearly 50 years ago. Regulatory compliance rear impact crash tests for fuel system integrity (Federal Motor Vehicle Safety Standard (FMVSS 301), conducted by NHTSA, revealed that almost every seatback fails, allowing a front seat occupant to be propelled into the rear seating area. Seat belt systems that are effective in frontal crashes are not designed to keep front seat occupants from slipping out of the belt system when the seatback collapses, leading to an increase in the risk of injury to the front seat occupant, including paraplegia or quadriplegia.

The Children's Hospital of Philadelphia (CHOP) has determined that collapsing seatbacks are a serious threat to children seated behind adult occupants in the front seats. Many children were found to have been injured in crashes in which seatbacks collapse or there is excessive seat deformation. The failure of a seatback directly in front of a child places the child at risk, and when there is an occupant in the seat that fails there is double risk of injury to the child.[54] NHTSA noted in a 1997 study that an examination of the interaction between front seatback failures and injuries to rear seat occupants may be important to assess the entirety of the occupant protection implications of seatback failure.[55] Additionally, NHTSA has stated that the weight of a passenger when added to the weight of the seatback itself will, even in a low severity crash, produce forces exceeding the level required by FMVSS 207.[56]

Advocates supports the petition filed with NHTSA by the Center for Auto Safety in March of 2016 asking that the agency modify its child seating recommendations to warn parents of the dangers associated with setback failures.[57] In addition, NHTSA cannot ignore this problem any longer and must upgrade the performance of vehicle seatbacks, including head restraints, to increase the protection of children and adults in passenger motor vehicle crashes.

Automated Vehicle Technology Holds Potential Promise and Potential Problems Without Rigorous NHTSA Oversight

In our efforts to significantly reduce the carnage on our roads and highways, Advocates is hopeful that automated vehicle technology will make a major contribution. However, Advocates is concerned about unsupported and uncertain statements by NHTSA and others about the potential safety benefits of this technology to the public. In the past, DOT predictions regarding the safety benefits of emerging technologies, such as those related to the Intelligence Transportation System (ITS) initiative of the early 1990s, were exaggerated and erroneously optimistic.[58] Inaccurate and overreaching assessments of the potential safety benefits of automated vehicles could mislead the public and reduce funding for the development of other potential safety technologies and applications.

Automated vehicle technology must be subject to an effective regulatory framework that provides a level playing field for developers and manufacturers and guarantees public safety. NTHSA must be a safety regulator not a submissive spectator as this technology continues to develop. Strong oversight by NHTSA is needed in order to ensure that American families are not guinea pigs for the testing and deployment of this technology. The agency must establish

uniform testing and minimum performance standards to ensure that all driverless car manufacturers are playing by the same set of rules.

Undoubtedly, automated vehicle technology will not prevent every crash and will not be infallible. Software problems affecting thousands of vehicles could result in crashes, deaths and injuries. Thus, the current lack of transparency in the development of automated vehicles is most concerning. Moving forward, both NHTSA and the public must have the opportunity to evaluate the basic technology from sources other than corporate promoters and those with an economic stake in the outcome. Only a full vetting of this technology by all interested stakeholders including NHTSA will ensure that the technology is ready, reliable and safe before it is deployed on public roads or the results could be catastrophic.

Demonstrations and limited trials by companies with a deep financial interest in rushing the technology to market as soon as possible should not be a substitute for rigorous testing, thorough review of data and performance standards. This is crucial in light of recent record recalls for safety defects and corporate cover-ups, as well as current identified problems affecting the reliability of automated vehicles. For example, presently certain automated vehicles cannot perform in adverse weather conditions such as rain and snow as well as in certain urban settings. America's crumbling infrastructure also presents a serious challenge for automated vehicles. At a press event at the Los Angeles Auto Show, a self-driving vehicle was unable to operate because it could not detect sufficient lane markings.[59] Additionally, another manufacturer noted that faded lane markings have confused their company's automated vehicles.[60] In July 2015, Secretary Foxx reported that 65 percent of America's roads are in poor condition.[61] Thus,

significant investment in our nation's infrastructure will be required to ensure it is ready for automated vehicles. These pressing safety issues must be resolved before NHTSA certifies automated vehicles for public use.

Furthermore, cyber-attacks of automated vehicles are also a serious and real danger. Last year, hackers demonstrated their ability to take over the controls of a sport utility vehicle (SUV) that was traveling 70 miles-per-hour on an Interstate outside of St. Louis.[62] By accessing the vehicle's entertainment system using a laptop computer, hackers located miles away from the vehicle were able to send disruptive commands to the SUV's dashboard functions, steering, brakes, and transmission.[63] In order to ensure that this technology operates as intended, without interference and with appropriate security of the system, vehicle communications systems must retain the dedicated 5.9 Gigahertz (GHz) frequency or spectrum. Interference with the frequency utilized by automated vehicles through error or intentional conduct could present a significant threat to public safety.

Finally, the interaction between driverless vehicles and those operated by a driver must be addressed. Significant fleet penetration for automated vehicles is likely decades away.[64] As a result, automated vehicles and driver operated vehicles will be sharing the road for many years to come. Current testing has already revealed that automated vehicles will face a myriad of challenges interacting safely with other cars, trucks and buses as well as bicyclists and pedestrians. Advocates believes automated technology holds great promise to advance safety; however, federal oversight and minimum performance standards will be essential in achieving this brave new world of computer driven motor vehicles.

Provisions Essential to Advancing Safety

Unfortunately, the FAST Act represented a missed opportunity for Congress to advance all of the needed solutions to advance safety. Advocates is concerned that those safety provisions that were included in the legislation will also be delayed by NHTSA inaction as is the case with many of the MAP-21 safety provisions noted above.

Moving forward, Advocates urges Congress to provide NHTSA with enhanced authority to address existing and future safety challenges. For these reasons Advocates continues to support enactment of several important provisions in the Vehicle Safety Improvement Act of 2015, H.R. 1181 that were not included in the safety title of the FAST Act. Improvements in early warning reporting, consumer information, giving NHTSA imminent hazard authority and the ability to impose larger financial penalties are prudent measures to also guide the development and deployment of autonomous vehicles in the years ahead. Enacting these provisions is an opportunity to be proactive on public safety and automaker accountability as opposed to reactive when a deadly problem occurs.

Early Warning Reporting of Fatal Incidents by Manufacturers

The intent of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act[65] (2000) was to ensure that the DOT Secretary receives all reports of fatal traffic crashes that are alleged or proven to have been caused by a possible motor vehicle defect. However, under current NHTSA regulation, manufacturers need only report that a fatal crash occurred and do not have to provide the agency with copies that document the underlying claim, notice or articles that inform the manufacturer that a defect-related fatality involving one of its

vehicles had taken place.[66] The Vehicle Safety Improvement Act of 2015 requires that for incidents involving a fatality, manufacturers must submit to the DOT relevant claims and documents that notified the vehicle manufacturer of the fatal incident.[67]

Document and Information Transparency

Currently, NHTSA is not making documents and investigations of safety defects readily available to the public. The agency has prevented public access to information by overly classifying records as confidential or requiring the public to seek records through lengthy and time-consuming Freedom of Information Act (FOIA) proceedings. The Vehicle Safety Improvement Act of 2015 makes several important reforms to give the public better access to NHTSA documents. It requires:

- NHTSA to amend its regulations to establish a presumption in favor of public disclosure of all early warning data unless otherwise exempt from disclosure under federal law. This would prevent the agency from misclassifying non-privileged factual information as confidential, and allow it to be released to the public.[68]
- Improvements to NHTSA's early warning database in order to increase public access and availability so private individuals and researchers can assist the agency in identifying safety problems.[69]

Imminent Hazard Authority

The Vehicle Safety Improvement Act of 2015 would also authorize NHTSA to take immediate action when the agency determines that a defect involves a condition that substantially increases the likelihood of serious injury or death if not remedied immediately. This "imminent hazard"

power is needed to protect the public, by allowing the agency to direct manufacturers to immediately notify consumers and remedy the defect as soon as possible. Sadly, far too many Americans have been killed by a defect in their vehicle they did not know existed. As serious motor vehicle recalls continue to come to light, this critical reform will give NHTSA a powerful tool to remedy the danger posed by defective motor vehicles.

Pedestrian Protection

On average, nearly 4,500 pedestrians are killed and 68,000 are injured each year since the recent low point in pedestrian deaths in 2009.[70] This equates to an average of a pedestrian being killed every two hours and a pedestrian being injured every eight minutes.[71] Pedestrian fatalities have increased by 15 percent and the number of pedestrians injured has increased by 12 percent since 2009.[72] In 2013, the latest year of data available, there were 4,735 pedestrian deaths and 66,000 pedestrians injured.[73] Vulnerable populations make up a significant share of pedestrian fatalities. More than one-fifth of children under the age of 15 who were killed in traffic crashes were pedestrians.[74] Older pedestrians (age 65+) accounted for 19 percent (896) of all pedestrian fatalities in 2013.[75] Moreover, the fatality rate for older pedestrians (age 65+) was 2 per 100,000 population – higher than the combined rate for all the other ages under 65 (1.4).[76] In 2010, pedestrian crashes resulted in $65 billion in comprehensive costs.[77]

The Vehicle Safety Improvement Act of 2015 directs DOT to establish standards for motor vehicles in order to reduce the number of injuries and fatalities suffered by pedestrians who are struck by motor vehicles. Such a standard could protect especially vulnerable pedestrian populations, including children, older adults, and individuals with disabilities. Being hit by a car

does not have to be a death sentence. Advocates and other safety groups have been urging Congress to require the DOT to issue a safety standard for the hood and bumper areas of motor vehicles in order to reduce the severity of injuries suffered by pedestrians and bicyclists that frequently result in death and lifelong disabilities. Such a standard has been in place in Europe for years. Just as added padding and restraint systems provide occupant protection inside the vehicle in the event of a crash, design improvements to the hood and bumper, which are already available on some makes and models sold in the U.S., can afford pedestrians and bicyclists protection on the outside of the vehicle in the event of a crash.

Prohibit Regional Recalls

The Vehicle Safety Improvement Act of 2015 will also eliminate so-called "regional recalls." Due the transient nature of motor vehicles and the fact that the American public is highly mobile, recalls limited to certain areas of the country exclude numerous vehicles that should be subject to the same recall and remedy, leaving many Americans needlessly at risk. This dangerous and ill-advised administrative limitation on recalls should be ended immediately.

While the FAST Act included two incremental improvements regarding the retention of records by automakers and the time period for when a consumer may obtain a recall remedy at no charge, these provisions should be strengthened in line with the provisions in the Vehicle Safety Improvement Act of 2015. Section 24403 of the FAST Act requires manufacturers to retain records related to safety issues for a period of not less than 10 calendar years.[78] However, the Vehicle Safety Improvement Act of 2015 requires such records to be retained for 20 calendar years.[79] In addition, the Vehicle Safety Improvement Act of 2015 would eliminate the 10 year

cap on remedies that are available to a consumer to fix a recall at no charge,[80] while Section 24402 of the FAST Act only extends the cap to 15 years.[81] These provisions in the Vehicle Safety Improvement Act of 2015 provide sensible and optimal protections for consumers and should be adopted to enhance the improvements contained in the FAST Act.

NHTSA Must be Given the Authority to Pursue Relevant and Robust Penalties

The settlement of the investigation of the GM vehicles equipped with a defective ignition switch did not include any admission of criminal culpability or a civil fine sufficient to deter similar corporate misbehavior and offenses from occurring in the future. This unsatisfactory conclusion to an investigation involving a motor vehicle defect that has killed far too many people is a stark reminder of why NHTSA must be given the authority to levy larger monetary fines than currently capped in the law at $105 million as well as criminal penalties for such grave malfeasance and misconduct. Without this change, the American public will continue to be the unknowing victims of manufacturers that place profits above public safety.

History will continue to be repeated unless Congress acts. In 2000, faulty Firestone tires were found to be responsible for numerous fatal crashes. In 2009 the sudden and unintended acceleration of Toyota vehicles killed and injured innocent motorists. Over the last two years, congressional hearings revealed purposeful actions and decisions by corporate executives to hide and mislead NHTSA and the public about defective GM ignition switches and exploding Takata air bags. Individuals who knowingly permit vehicles with serious and deadly safety defects to be placed in the stream of commerce, and those who knew of the defect and concealed that

knowledge should be held accountable for their actions. Without appropriate civil penalties and criminal sanctions to deter corporate misbehavior, nothing will change.

NHTSA must also be given the authority to pursue criminal penalties in appropriate cases where corporate officers who acquire actual knowledge of a serious product danger that could lead to serious injury or death and knowingly and willfully fail to inform NHTSA and warn the public. Under current federal law, many agencies already have authority to pursue criminal penalties including the Consumer Product Safety Commission, the Food and Drug Administration and the Securities and Exchange Commission. The lack of criminal penalty authority has hampered the agency's ability to deter automakers from safety defect recidivism.

Conclusion

Fifty years ago, Congress passed and President Lyndon B. Johnson signed into law the National Traffic and Motor Vehicle Safety Act of 1966 because of concerns about the death and injury toll on our highways.[82] The law required the federal government to establish federal motor vehicle safety standards to protect the public against "unreasonable risk of accidents occurring because of the design, construction or performance of motor vehicles."[83] The underlying premise of this prescient law has not changed since its enactment. But in order for the agency to fulfill its historic and enduring mission to protect the public it needs sufficient resources and a commitment to using its regulatory and enforcement authorities to protect the public.

Thank you for the opportunity to testify before you today and I am pleased to answer your questions.

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Mr. BURGESS. The chair thanks the gentlelady. And the chair apologizes. I mispronounced your name, Ms. Gillian. And I had a phonetic spelling in front of me, which I followed and I should have done what I knew was correct.

Ms. GILLIAN. Well, no need to worry. When I was reviewing my statement right before I sent it over, my staff had misspelled my name. So, you are in good company.

Mr. BURGESS. Ms. Wilson, you are recognized for 5 minutes for your opening statement, please.

STATEMENT OF ANN WILSON

Ms. WILSON. Thank you. Chairman Burgess, Ranking Member Schakowsky, members of the subcommittee, my name is Ann Wilson. I serve as the Senior Vice President of Government Affairs for the Motor and Equipment Manufacturers Association.

Thank you for the invitation to testify before you today on the implementation of provisions in the FAST Act.

MEMA represents vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks. Our members develop and manufacture original equipment to new vehicles, as well as aftermarket parts to service, maintain, and repair the over 256 million vehicles that are on the road today. Suppliers are the largest employer of manufacturing jobs in the United States, directly employing over 700,000 Americans with a total employment impact of 3.6 million jobs.

Our members lead the way in developing advanced, transformative technologies that enable safer, smarter, and more efficient vehicles, all within a rapidly growing global marketplace. Ultimately, about two-thirds of the value of today's vehicles comes from suppliers. Suppliers work closely with vehicle manufacturers to provide cutting edge, innovative systems and components for new vehicles.

Today, I wanted to focus on the real benefits that advanced safety technology can provide to motor vehicle safety. There are many advanced safety features available in the vehicle marketplace ranging from passive to active systems that either warn, aid, and/or assist a driver and to avoid or mitigate vehicle crashes. These crash avoidance and mitigation technologies combined with decades of improved crash worthiness features provide the opportunity for significant overall reduction of fatalities, injuries, and property damage claims in the United States.

In 2015, MEMA and the Boston consulting group released a report exploring the safety benefits to some of these systems, known collectively as advanced driver assistance systems or ADAS. Last year, MEMA testified before this subcommittee that ADAS technologies can provide immediate safety benefits and form the pathway to a partially and fully automated vehicle fleet that could virtually eliminate traffic fatalities. The study found that a suite of ADAS technologies has the potential to prevent as many as 30 percent of all crashes, a total of 10,000 lives—10,000 lives saved annually.

However, relatively few vehicles on the road today have ADAS technologies and the market penetration is only growing at about two to five percent annually. Since driver error is, by far, the lead-

ing factor in motor vehicle crashes, the lack of widespread adoption of these technologies in the U.S. is a significant missed opportunity. Congress recognized the importance of these technologies with enactment of the FAST Act and the direction to NHTSA to include crash avoidance technologies in NHTSA's New Car Assessment Program.

Shortly after passage, as Dr. Rosekind testified, NHTSA announced its envisioned upgrades to NCAP beginning with model year 2019 vehicles. The purpose of this enhancement is to expand the program beyond crash worthiness by including for the first time crash avoidance and mitigation technologies and pedestrian safety.

MEMA commends Congress and NHTSA for taking this major stride to enhance and expand the NCAP categories and ratings. Collaboration between government, vehicle manufacturers, suppliers, safety advocates, and other stakeholders is key to the success of a significant evolution in the program. Even though NCAP is a voluntary, non-regulatory program, it has a substantial and direct impact on how automakers and suppliers design future vehicles and plan for emerging technologies. In addition, NCAP provides that all-important link of information to the consumer.

There are a variety of other tactics that can be utilized by policymakers in industry to achieve the overarching goal of reducing crashes. MEMA supports the volunteer agreement between the automakers and NHTSA to make automatic emergency braking technology standard equipment in almost light duty vehicles by the year 2022.

Additionally, MEMA strongly believes another key element to the expansion of ADAS technologies is the development of future regulations with our global counterparts, most notably, the European Union.

These efforts do not equate to a lower standard of safety. Rather, a strong harmonized system can provide an opportunity to address new safety technologies in a transparent and efficient manner.

Members of MEMA are committed to motor vehicle safety. As industry moves forward with increased collaboration with regulators, we believe that NHTSA's use of NCAP program, voluntary agreements, and rulemaking has the potential to address many of our current challenges.

MEMA also urges the agency to actively engage in the harmonization of new regulations that could speed completion of testing standards and regulations.

We applaud this committee's commitment to motor vehicle safety by updating the NCAP program and providing greater access to safety technology.

I would be happy to answer any questions.

[The prepared statement of Ms. Ann Wilson follows:]

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Testimony of Ann Wilson

House Energy & Commerce Committee

Subcommittee on Commerce, Manufacturing and Trade

"NHTSA Oversight"

April 14, 2016

Introduction

Chairman Burgess, Ranking Member Schakowsky, members of the Subcommittee: Thank you for the invitation to testify before you on the implementation of provisions in the FAST Act.

The Motor & Equipment Manufacturers Association (MEMA) represents vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks providing original equipment (OE) to new vehicles as well as aftermarket parts to service, maintain and repair over 256 million vehicles on the road today. Suppliers are the largest employers of manufacturing jobs in the U.S. directly employing over 734,000 Americans with a total employment impact of 3.6 million jobs.

Our members lead the way in developing advanced, transformative technologies that enable safer, smarter and more efficient vehicles, all within a rapidly growing global marketplace. Ultimately, about two-thirds of the value of today's vehicles come from suppliers. Suppliers work closely with vehicle manufacturers to provide cutting edge, innovative systems and components for new vehicles. MEMA represents vehicle suppliers through the following four divisions: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA).

Vehicle Safety Today

Vehicle suppliers are dedicated to vehicle safety with the design and manufacturing of their components and systems. To fully appreciate the state of vehicle safety today, one only needs to look at the data. In 2015, the National Highway Traffic Safety Administration (NHTSA) issued a report that analyzed over 50 years of crash data and estimated that approximately 613,501 lives have been saved by vehicle safety technologies and associated Federal Motor Vehicle

AASA HDMA MERA OESA

Safety Standards (FMVSS).[1] Additionally, a recent Insurance Institute for Highway Safety (IIHS) report noted that "the chances of dying in a crash in a late model vehicle have fallen by more than a third in three years ... Among 2011 models, a record nine vehicles have driver death rates of zero."[2] According to the IIHS, newer vehicles are even safer. Over the past three years, recent model year vehicles have demonstrated significant improvements in safety. "There were 7,700 fewer driver deaths in 2012 alone than there would have been had vehicles remained the same since 1985."[3] The most influential safety factors are improvements to vehicle structural design and advanced vehicle technologies.

Today, there are many advanced safety features available in the vehicle marketplace ranging from passive to active systems that either warn, aid and/or assist a driver in order to avoid or mitigate vehicle crashes. These advanced technologies have foundational systems upon which the more complex systems are built. These technologies are mature, affordable and effective. When these crash avoidance and mitigation technologies are combined with decades of improved crashworthiness features, the U.S. has seen an overall reduction in fatalities, injuries and property damage claims.

Despite these marked improvements to vehicle safety, there are still over 32,000 fatalities and 2.3 million injuries on our nation's roads annually.[4] According to NHTSA, 94 percent of these crashes are caused by driver error.[5] For this reason, suppliers are continually innovating and developing components and systems for motor vehicles that will reduce the risk of collisions.

Advanced Driver Assistance Systems (ADAS) and the Impact on Safety

In 2015, MEMA and the Boston Consulting Group (BCG) released a report exploring the safety benefits of Advanced Driver Assistance System (ADAS) technologies. During Congress' consideration of the "Fixing America's Surface Transportation Act" (FAST Act) last year, MEMA testified before this Committee that ADAS technologies, often referred to as crash avoidance technologies, can provide immediate safety benefits and form the pathway to a partially and fully automated vehicle fleet that could virtually eliminate traffic fatalities. The study found that a suite of ADAS technologies has the potential to prevent 30 percent of all crashes – a total of 10,000 lives saved annually.[6] A complete copy of the MEMA study is included with this testimony.

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[1] NHTSA, "Lives Saved by Vehicle Safety Technologies and Associated Federal Motor Vehicle Safety Standards, 1960 to 2012: Passenger Cars and LTVs" DOT HS 812 069, January 2015.
[2] IIHS, *Status Report* article "Saving Lives," Vol. 50, No. 1, Jan. 29, 2015.
[3] *Ibid.*
[4] NHTSA, Traffic Safety Facts "2014 Motor Vehicle Crashes: Overview," DOT HS 812 246, page 1, March 2016.
[5] NHTSA, Traffic Safety Facts "Critical Reasons for Crashes Investigated in the National Motor Vehicle Crash Causation Survey," DOT HS 812 115, page 1, February 2015.
[6] MEMA and BCG, "A Roadmap to Safer Driving Through Advanced Driver Assistance Systems," page 2, September 2015.

However, according to the MEMA study, relatively few vehicles on the road today have ADAS technologies, and the market penetration is only growing at about two to five percent annually. Since driver error is by far the leading factor in motor vehicle crashes, the lack of widespread adoption of these technologies in the U.S. fleet is a significant missed opportunity to reduce fatalities and injuries.

Implementation of "Safety Through Informed Consumers Act"

For several years, MEMA has advocated for upgrading and enhancing NHTSA's New Car Assessment Program (NCAP) – a voluntary, non-regulatory program – to include ADAS technologies and to make information more readily available to consumers because the greatest safety gains will be a direct result from "widespread application of crash avoidance technologies."[7] Congress recognized the importance of ADAS technologies with the enactment of the FAST Act, directing NHTSA to "ensure that crash avoidance information is indicated next to crashworthiness information" on new vehicle window stickers.[8] In addition, The agency has one year to promulgate a rulemaking to revise the sticker, also known as the Monroney label. The vehicle sticker is one of the key ways to educate consumers not only about a vehicle's crash ratings, but also about what safety technologies are on it.

Shortly after passage of the FAST Act, NHTSA announced its envisioned upgrades to the voluntary NCAP 5-Star Ratings beginning with MY2019 vehicles. The purpose of the enhancements is to expand the Program beyond crashworthiness by including, for the first time, crash avoidance and mitigation technologies and pedestrian safety.

MEMA commends NHTSA for taking this major stride to enhance and expand the NCAP categories and ratings. Collaboration between the government, vehicle manufacturers, suppliers, safety advocates and other stakeholders is key to the success of such a significant evolution in the Program. Even though the NCAP is a voluntary, non-regulatory program, it has a substantial and direct impact on how automakers and suppliers design future vehicles and plan for emerging technologies that will significantly enhance vehicle safety and performance.

An enhanced NCAP 5-Star Rating, along with increased consumer awareness on the vehicle sticker, will help improve and accelerate consumer acceptance and take-rates and ultimately reduce the cost of these life-saving technologies. However, MEMA is concerned that some of the automakers objections to major aspects of the Program's proposed upgrades (e.g. crashworthiness/new dummies) may be used as an excuse to delay overall progress of an enhanced NCAP package.

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[7] 80 Fed. Reg. at 78550
[8] Public Law No: 114-94, Title XXIV, Subtitle C, Part II, Section 24321, Dec. 4, 2015.

Other Means to Improve Safety

There are a variety of tactics that can be utilized by policymakers and industry to achieve the overarching goal of reducing crashes by getting key safety technologies on vehicles.

For example, on March 17, NHTSA announced a commitment with 20 automakers to make Automatic Emergency Braking (AEB) technology standard equipment in almost all light-duty vehicles by the year 2022 (with some exceptions).[9] To communicate automakers' progress, starting in 2017, vehicle manufacturers will submit annual reports to NHTSA (by Oct 31) showing figures on the proportion of vehicles manufactured for sale equipped with AEB.

NHTSA utilized this voluntary agreement as a way to accelerate, beyond typical rulemaking timelines, the installation of AEB on new vehicles. The agency estimated that this process is three years shorter than if it were to conduct a full rulemaking. MEMA believes this approach is another positive step toward increasing acceptance and adoption of AEB – one of many ADAS technologies – and we support the idea of using other appropriate methods in order to get widespread deployment of safety technologies. As such, MEMA supports this government-industry commitment to expand the installation of this critical safety technology.

Nonetheless, MEMA does have some reservations about voluntary agreements and will continue to work with NHTSA on this important issue.

Additionally, MEMA strongly believes another key element to the expansion of ADAS technology and the reduction of motor vehicle fatalities is the development of future regulations with our global counterparts, most notably the European Union. Automakers and suppliers are global companies; harmonization is essential. By aligning and collaborating, we could concurrently develop regulations – under our respective frameworks – standards and guidelines that meet common safety objectives using the same test protocols and equipment. These efforts do not equate to a lower standard of safety. Rather, a strong harmonized system can provide an opportunity to address new safety technologies in a transparent and efficient manner.

For example, aligning test procedures and equipment reduces or eliminates unnecessary burdens and duplicative resources and costs not only for industry, but also for government regulators and third-party testing labs. Standardizing these procedures and equipment gives all stakeholders a common, consistent objective that allows for improved certainty that benefits future product research, development and planning. Moreover, when these processes can be streamlined, it further enhances industry innovation and speeds technology advancement.

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[9] Per the terms of the commitment agreement, at a minimum, automakers must include Forward Collision Warning and Collision Imminent Braking systems on vehicles.

Implementing Motor Carrier Safety "Beyond Compliance"

Finally, during congressional consideration of the FAST Act, MEMA advocated for language to require the Federal Motor Carrier Safety Administration (FMCSA) to include incentives giving fleets credit to their "Compliance, Safety, Accountability" scores for going beyond the minimum regulatory requirements for driver training, driver management systems, maintenance strategies and safety equipment.[10] The FAST Act requires the FMCSA to implement the "Beyond Compliance" program within 18 months of enactment. In preparation for implementation, FMCSA has already hosted some public listening sessions and opened a docket for comments and feedback. MEMA provided comments and recommendations to FMCSA and will continue to actively engage them to ensure that advanced safety technology is included in their "Beyond Compliance" program.

Conclusion

The members of MEMA are committed to motor vehicle safety. New vehicle technologies can greatly prevent accidents and reduce serious injuries and fatalities – technologies that are available today. As the automotive industry moves forward with increased collaboration with regulators, we believe that NHTSA's use of the NCAP program, voluntary agreements, and rulemaking has the potential to address many of our current challenges. MEMA also urges the agency to actively engage in the harmonization of new regulations that could speed the completion of testing standards and regulations.

MEMA applauds the Committee's commitment to motor vehicle safety by updating the NCAP program and providing greater access to safety technology for consumers and trucking fleets. We appreciate this opportunity to testify before you and will be happy to answer your questions.

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[10] Public Law No: 114-94, Title V, Subtitle B, Part II, Section 5222, Dec. 4, 2015.

Mr. BURGESS. The chair thanks the gentlelady.

And I thank you all for your testimony and we will now move into the question portion of the hearing and I would like to yield the first 5 minutes to the vice-chair of the subcommittee, Mr. Lance, for your questions, please.

Mr. LANCE. Thank you, Mr. Chairman. And good morning and almost afternoon to you all.

Ms. Gillian, I believe I heard you say that fatalities are increasing. Is that right?

Ms. GILLIAN. Yes, they are.

Mr. LANCE. Could you explain that, pleas?

Ms. GILLIAN. NHTSA recently released data showing that comparing the first three quarters of 2014 with the first three quarters of 2015, that there has been over a nine percent increase in motor vehicle fatalities. And that increase actually represents one of the largest jumps that we have seen in the last 30 to 40 years. And so it is really significant and that is the reason we need to focus on what are those programs and strategies that can help turn that around.

Mr. LANCE. Mr. Bainwol, would you like to comment on that? Because I am looking at your chart now and I see your chart goes to 2014.

Mr. BAINWOL. Right and that is because there are not official numbers yet for 2015. But we do know that the aggregate number has risen and it has risen beyond vehicle miles traveled. So, there is a delta there that is disconnected from the amount of travel and that is very, very concerning.

What we don't know is the cause. There are some clues. We won't really be able to know until the full data set comes out. For instance, is this from motorcyclists? Is it pedestrians? Is it passengers? Is it drivers? We just don't know.

We have seen some early clue. There was a story I saw a couple of weeks ago comparing one state, in Wisconsin, pedestrian, motorcyclist, others and there was a spike in pedestrian. There was a spike in motorcyclists. But we won't know until the full data set comes out.

It is concerning but I would make one other, I think, crucial point. And that is if we lived in a zero defect world, 99 percent of the fatalities that we are addressing still exist. So, the question here is that doesn't mean we shouldn't cope with the one percent, we should get that right. Recall policy is vitally important and we are totally committed to making sure we get it right. But we also have to find a way to deal with the preponderance of the problem, the 99 percent. And the good news that we have been talking about in this panel is that technology brings that possibility, the ability to avoid accidents will save thousands of lives. And the faster we can lean forward and implement that technology, the better off we are going to be.

Mr. LANCE. According to your chart, in 2014 of the 32,675 fatalities, 1,196, as I understand your chart, were related to vehicle factors. Am I reading that chart accurately?

Mr. BAINWOL. Correct. And factors represents two things, one are defects, and one is maintenance. So, if you have an improperly inflated tire, that is a maintenance issue and not a defect issue.

Mr. LANCE. And I am sure this is still a matter of speculation but could the increased fatalities, as Ms. Gillian has indicated, and I will ask Ms. Gillian as well, could they be based upon factors such as texting, for example?

Mr. BAINWOL. So, I will give you an anecdotal response not a scientific response but, yes.

Every day I drive to work. It takes me about an hour to get to work. And as I focus on my driving task, I also look to see what the other guy is doing. And I see lots of folks looking down at their phones. So, there is no question there is a texting problem, both in the car and, ironically, with pedestrians. If you watch people cross streets, more often than not, they are like this.

Mr. LANCE. I see a texting problem in the hallways of Congress.

Mr. BAINWOL. But not one on this panel.

Mr. LANCE. No, it involves people a generation younger than you or I who are bumping into me as they are texting and not looking where they are going.

Ms. Gillian, if you would like to respond to my series of questions.

Ms. GILLIAN. Yes, I very much would like to.

We need to really attack this problem, both looking at getting the—improving the behavior of the driver. Advocates is very active. In fact, we just put out this report, Missing in Action, on the need for states to step up and pass texting laws, tougher drunk driving laws, child restraint laws.

Mr. LANCE. Yes.

Ms. GILLIAN. However, the other part of the equation is also the issue of driving safer cars. And many years ago, the former president of MADD said to me, you know, Jackie, the best defense against a drunk driver is a safe car.

So, you really need to attack both. And the problem is with all these recalls is that we have seen that people are not taking them in. You are getting two or three notices and then we have these deaths like the 17-year-old teenager in a low-speed crash.

Mr. LANCE. Thank you. My time is expiring. Thank you, Mr. Chairman.

Mr. BURGESS. The chair thanks the gentleman.

The chair recognizes the gentlelady from Illinois, Ms. Schakowsky, 5 minutes for questions.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman.

Ms. Gillian, members of—no, no. In February—I wanted to preface this question—the Center for Auto Safety filed a lawsuit against DOT alleging that DOT's failure to publish Technical Service Bulletins or TSBs online——

Ms. GILLIAN. I am sorry. I am having a hard time hearing you.

Ms. SCHAKOWSKY. OK, let me try again.

Ms. GILLIAN. OK.

Ms. SCHAKOWSKY. All right. In February, the Center for Auto Safety filed a lawsuit against DOT alleging that DOT's failure to publish Technical Service Bulletins or TSBs online was a violation of MAP–21.

On March 25th, DOT issued a Federal Register notice saying that it would begin posting all TSBs online. Conveniently, TSBs started appearing yesterday on DOT's Web site.

So, here is my question. Members of this committee drafted and pushed hard for the TSB publication provision in MAP–21. And I know this might sound rhetorical but should it have taken a lawsuit for DOT to start posting that information? And is this a pattern we should worry about?

Ms. GILLIAN. Yes, and there is an issue, an example even closer to home, Representative Schakowsky——

Ms. SCHAKOWSKY. OK.

Ms. GILLIAN [continuing]. And that is rearview cameras. That is also an issue where finally in 2008 we got legislation passed requiring rearview cameras as standard equipment. They will become standard equipment in 2018. Because of your legislation and your tenacious advocacy in the work that safety groups did, we ended up having to file a lawsuit to finally spring that rule free from OMB and the agency.

So, we are kind of faced with all of these roadblocks. We can't get the agency to issue the rules. I have given examples in my testimony. Then, when they are, they delay the deadlines. And then finally, we have to resort to litigation.

And public interest groups, Public Citizen handled the case, both those cases for us but it really is unnecessary for these very common sense and important rules and regulations that consumers want.

Ms. SCHAKOWSKY. And let me point out in terms of the rear visibility, that law actually passed in 2008. And so finally, in 2018, we will see that standard.

So, I wanted to ask you, you talked quite a bit about recalls, as you said 2015 was another record-setting year for recalls, more than 51 million vehicles were recalled. Again, for Ms. Gillian.

Dr. Rosekind has said publicly that NHTSA's diligence in pursuing automakers for safety defects is part of why recalls have gone up, rather than just an increase in the number of defects. Perhaps that is partly the case. Some have suggested that because of the recent high profile recalls the industry is more willing to go to recall faster to get ahead of the story.

What, in your view, is causing the rise in recalls and do you agree with Dr. Rosenkind's assessment?

Ms. GILLIAN. Well I think, as I said in my testimony, we supported legislation which removed the cap no civil penalties. We supported criminal penalties.

I mean I think that you had GM, Takata, and VW feeling that they could ignore the law and produce cars that were faced with these defects and pretty much just face a fine that is a slap on the wrist is contributing to the problem.

And I think that while you know I support what NHTSA is doing in trying to accelerate the consumers repairing their vehicles, I mean I think that we need a tough cop on the beat and I think that we need NHTSA—a lot of the issues we finally got Technical Service Bulletins published.

There is still an issue with that agency on transparency. I just heard from one of my Board members, Standard for Auto Safety that is still trying to get documents out of them. It is still a very difficult and cumbersome process for consumers to get that information.

And I will tell you, if you look back on those three examples, GM, Takata, and VW, consumer groups played a big role in exposing those problems. And so you know that is the importance of having this information available so that we can also be a check on what is going on.

Ms. SCHAKOWSKY. And thank you for that.

A number of people brought up today in January NHTSA announced a voluntary agreement with 18 automakers called the Proactive Safety Principles. Do you expect that agreement to have an effect on recall rates?

Ms. GILLIAN. Well, I will make that a short answer. No, because voluntary standards are rife with deficiencies. They are unenforceable. When a consumer goes in the showroom, they don't know whether that car is meeting that standard. They are done in secret without any public input or from other state, and typically, they result in the lowest common denominator of industry practice and discourage innovation.

Ms. SCHAKOWSKY. My time is up. So, we will leave it at that. Thank you very much.

Ms. GILLIAN. Thank you.

Mr. BURGESS. The chair thanks the gentlelady. The gentlelady yields back.

The chair recognizes the gentleman from Texas, Mr. Olson, 5 minutes for questions, please.

Mr. OLSON. I thank my good friend, our chairman. Welcome to all of our witnesses. I do not intend to ask any questions. I want to deliver a plea from home.

On March 31st, 2 weeks ago today, Huma Hanif left George Ranch High School to head to her home. As she turned onto her street in her neighborhood, she tapped a car in front of her, a minor fender bender. Her airbag deployed with an explosion and sent a small piece of shrapnel the size of this nickel into her neck. She died in her own car with her seatbelt still on. She was 17 years old. Here is a photo of the accident scene.

I drove to see where Huma died for myself. It was so close to my home. Eight turns, through seven traffic lights, and three stop signs and I was there. It was hard to believe a young girl could die right there in such a minor collision.

I know that we have made a lot of progress in getting recalled cars in for repair. Right now about 70 percent. I have been told 70 percent. That is great but I also know and I worry about another Huma being out there.

I know that we can't quit at 70 percent. The only acceptable number is 100 percent of recalled cars repaired with a defect like that. I wish I could tell you how to achieve this. I can't. But I know that working together we can achieve our goals. And that starts by acting on the plea I promised at the start of my comments. It comes from Huma's brother, Faizan. It is a short video.

[Video shown.]

Mr. OLSON. That is Sheriff Troy Nehls. That is Faizan there, the brother.

You can hear my voice. Your ears are working fine. The machine is not working properly right now. I am not saying anything. No comments.

That is the airbag that was deployed. That is the part that was lodged in her neck right there, about the size of a nickel.

That works.

Get out there and make sure people know if they drive a vehicle in America, log on to safercar.gov. Check out the car online. Make sure you don't drive a defective car. If you do, get that car fixed. Let's make sure another Huma will never happen again.

I yield back.

Mr. BURGESS. The chair thanks the gentleman.

The chair would note that he deferred his questions for other committee members. And I will now yield myself 5 minutes for questions.

So, OK, given what we have just seen—and I guess this is a question for you, Mr. Bainwol, perhaps you, Mr. Bozzella. And Mr. Bainwol, I am going to refer to the slide set that you gave us. And when you look down at the bottom corner with the stuff that was hard to read, the fatality percentage was 75 percent in cars that were older than 10 years, older than 2005. And that is 46 percent of the fleet.

And that is the challenge because then if you look at some of the stuff that Mr. Rosekind had provided to us, the compliance with recall notices in that age set of cars that is older than 10 years is 15 percent. So, we have got a disconnect there.

Now you said something, either Mr. Bainwol or Mr. Bozzella, that really intrigued me in your testimony because you talked about working with insurance companies. And I actually tried to call up my insurance card on my iPhone. I couldn't do it because I forgot my challenge question. But that is a separate issue. But your insurance company has your vehicle identification number, when you get your renewal on your insurance.

And one of you mentioned partnering or getting insurance companies involved in this and to help with this. There is actually an opportunity. They have the data. And maybe we can talk to Mr. Rosekind about the larger data sets being able to go through more easily but that seems like a fix. And I know my insurance company that advertises heavily on TV and says 15 minutes could save you 15 percent or more, everybody knows that. Boy, 15 minutes could save your life or your daughter's life. I mean that is pretty important stuff.

So, what can we do to engage our state DMVs and your insurance companies? There is a way to get this data transferred and get these cars in and fixed. Is there not?

Mr. BAINWOL. The short answer is yes. We want to see every car fixed. We are desperately trying to communicate with car owners to move them to comply with the recall but we clearly have a problem doing that. And the older the car, the more difficult that challenge is.

So, what that means is, it is an all hands on deck proposition. We are not trying to shift the burden. WE are trying to bring other people to the party to help get the job done.

And it strikes us that DMV and the insurance world are the touchpoints that consumers engage with and you talk about the health of the vehicle at that point. And so they are a perfectly natural place to go to augment our efforts. They also have better data.

So, we have custody of the name when we sell a new car but oftentimes with a car that is 10 or 11 years old, it is going to be sold multiple times, sometimes by private parties. And so the custody, the trail goes cold. And so the trail is hotter with DMV and with the insurance companies. And so we turn to everybody in the ecosystem to say help.

Mr. BURGESS. Well it seems like there is some opportunities there. And the insurance, when you have mentioned an insurance company, that kind of leapt off the page I think because they had your VIN number. I mean it is on your card. You have the card. You have to buy it. The state requires you to buy it to drive on their streets.

I appreciate the efforts that the automobile manufacturers have made. I know I have seen full page adds in the Dallas Morning News on several occasions, I think last summer when Dr. Rosekind increased the recall notice.

I don't doubt that the manufacturers have a very vested interest in getting a defective car back and getting it fixed. They don't want their customers put at risk. But there are other people, as you describe it in the ecosystem. The insurance company has that vehicle identification number and it is touched once or twice a year. People go in for an oil change two or three times a year. And then, of course, in my state, we have to go get a state inspection and comply with all kinds of things. That is another opportunity.

I like your statement of an every hands on—all hands on deck proposition.

Let me just ask you because this came up in an interview I was doing this morning with one of my local television stations. And they said they had a viewer who had received a recall notice and was trying to get her car fixed and there was no part available. How would you address that viewer? What can we tell her?

Mr. BOZZELLA. It is a very important question, Mr. Chairman. And first, the customer should call the manufacturer. It is very important that the customer call the manufacturer and explain the situation, the vehicle, the VIN and listen to the advice and counsel of the company that will tell them what the parts availability situation is.

The customer should also reach out to the dealer and get additional information about how the dealer is handling parts flow into the dealership and the repair.

I think these are really very, very important questions but I would start very much with calling the manufacturer and asking what that specific manufacturer's situation is.

Mr. BURGESS. So, here is the real world situation. It is the third or fourth owner. They didn't buy it from a dealer but they know what the make of the automobile is. So, go to a Web site and get an 800 number? What are the practical steps that that person—they took it to a garage. They said we would like to help you but we can't get that right now, they are on back order. That person should call the dealer—not the dealer but the manufacturer at an 800 number they can find on internet down at their library if they don't have access to a computer?

Mr. BOZZELLA. That is correct. They can find the 800 number. They can go to the Web site. You will many manufacturers have

information on the Web sites specifically related to an open recall. So, there is important information both at the Web site and on caller assistance lines and consumer assistance lines. And I think this is very important in addition to going to safercar.gov.

Mr. BURGESS. Well, I have gone way over time but I do want to ask one additional question because we dealt with a problem with an ignition switch a year, year and a half ago, 2 years ago. Now, we don't hear about that any longer. Is that we don't hear about it because the problem has been fixed and everyone has brought their cars in and gotten the recall taken care of on the key that was switching off on the ignition or why is it that we are not hearing any longer about those defects? Are they all done? Are we at 100 percent compliance?

Mr. BAINWOL. I don't know what the actual compliance rate is but we will check it and come back to you.

Mr. BURGESS. I appreciate that.

I am going to yield back to myself and recognize Mr. Guthrie from Kentucky for 5 minutes.

Mr. GUTHRIE. Thank you, Mr. Chairman, for calling this committee and thank you, everybody, for being here.

My first questions are on cybersecurity. And Mr. Bainwol, Mr. Bozzella, could you provide information—you brought an update on the Auto ISAC Information Sharing and Analysis Center. How much information sharing is occurring between members of the Auto ISAC? And have any vulnerabilities been uncovered that were not previously known to certain ISAC members through the information sharing?

Mr. BAINWOL. I will go first. So, the ISAC is up and running. It was stood up by the end of last year. So, the portal is working.

There is an exchange, at thread information. We have also brought on—begun the process of bringing in suppliers. NHTSA has been briefed.

So, we are making progress. We are also involved in a best practices effort, where the framework has already been established. And we will be rolling it out in more detail by the summer.

As Dr. Rosekind mentioned, there has never been a market cyber-attack just yet but we know it is coming and we are the first industry to get ahead of the curve, to establish and ISAC before an event actually occurs.

Mr. GUTHRIE. Thanks. Anything to add to that?

So, I will ask another question on that. Should cyber vulnerabilities in vehicles be approached differently in terms of the recall response from the agency and reporting requirements from automakers than traditional safety defects found in the motor vehicles?

Mr. BOZZELLA. It is an important question. When is a vulnerability a defect and when is it not a defect? This is a question that the agency is currently reviewing. It is a conversation that we are having within the ISAC discussion among the automotive associations. And it really does speak to why it is so important that we extend the cybersecurity best practices framework that we have already announced and start to build out those cyber best practices. It is critical that we design cyber security and that we think about it, not only think about it but act on it throughout the design proc-

ess, throughout the manufacturing process and throughout the ownership process.

Mr. GUTHRIE. Should dealing with cyber issues be treated within the recall system like safety defects? The system we have today, should cyber issues be treated similarly or should there be a separate way to deal with that?

Mr. BOZZELLA. I think the short answer is it depends on the circumstances. A vulnerability is not by definition a defect.

Mr. GUTHRIE. Right.

Mr. BOZZELLA. So, I think you have to start there. And then the question is what is it that we are addressing with regard to the systems in the vehicle and perhaps more broadly.

But a vulnerability is not, itself, an indication of a defect.

Mr. GUTHRIE. I guess you have to say everything is vulnerable to some degree, hopefully a very limited degree but everything would be somewhat vulnerable, I guess.

Mr. BAINWOL. When you slash a tire on a car, the tire, itself is not defective. It is a malicious act. And so we think that to some extend that does apply.

I think it is also important just to—Dr. Rosekind made the point earlier today that the cybersecurity issue requires nimbleness. And one of the topics of discussion, not to open up a can of worms but to go ahead and maybe go there a bit is how do you manage change in a world in which technology and innovation is happening very quickly.

And what Dr. Rosekind was saying was regulation does not necessarily work fast enough to deal with the rate of innovation. And so that is a very, very important point and certainly is true in the cyber case.

Mr. GUTHRIE. A quick question. I am going to turn to Proactive Safety Principles and stick with you two for a second.

What is the timing for implementation of each of these Proactive Safety Principles? And are you or member companies having regular meetings with NHTSA to coordinate the implementation of the principles?

Mr. BOZZELLA. We are working as associations to coordinate the process. That coordination is already taking place and we are in communication with NHTSA right now, as a matter of fact, at the level of engagement with the administrator directly and then more broadly.

Mr. GUTHRIE. OK, I will go ahead and go to Mrs. Wilson. How will the Proactive Safety Principles be reflected in the work suppliers do with automakers or in the aftermarket context?

Ms. WILSON. Well, we have been asked by NHTSA and we are now currently drafting our own principles that are—we have a thousand members. So, it is going to take it a little bit longer to review them. And obviously, we want to reflect both the responsibilities that our OE suppliers have with vehicle manufacturers but also the impact of the aftermarket.

Mr. GUTHRIE. OK, thank you.

Ms. WILSON. We support the principles that were laid out but, obviously, we feel like there is some other initiatives that we think that are important for us to also address.

Mr. GUTHRIE. I just have a couple of seconds. So, Mr. Wilson, how would it affect auto recyclers, the Safety Principles?

Mr. WILSON. I think on the automotive recycler side, I would sort of lump us in to independent operators within that $300 billion aftermarket space. And again, to make sure that cybersecurity is protected.

You have other issues, security issues with vehicles that the amount of folks that are able to work on those vehicles is very, very limited based on those security concerns. And so we have got to find a way to make sure that the independent operators out there can work in that space, that they are not blacklisted from working on that.

And I think the European Union has put in some good language to work on that.

Mr. GUTHRIE. Well, thank you. It is the chairman's time now. I don't know if you want to give her a chance. Do you want her to respond? If the chairman allows.

Mr. BURGESS. Proceed.

Ms. WILSON. Just one quick thing on the aftermarket, the cybersecurity. There is some real work going on within the industry. We talked about how we are training mechanics and training folks who are going to service the vehicles and so the consumer would know when you take a vehicle to auto repair shop, that they are dealing with someone who knows how to deal with security issues.

Mr. GUTHRIE. OK. If the chairman allows.

Ms. GILLIAN. Could I just add one thing? I know that Mr. Bainwol talked about voluntary standards. And on cybersecurity, I think that is a really strong case where we don't want voluntary standards because voluntary means just that. You don't have to abide by them.

And I think as we enter this brave new world of driverless cars and the fear of cybersecurity problems, that that is when we really need an agency like NHTSA setting those minimum standards, so that everybody is playing by the same rules and that consumers can be confident that these are not something that one automaker decides to abide by and the other ones say well, it is kind of expensive, we don't want to do this.

Mr. GUTHRIE. Well, thank you. My time is way over and so I appreciate the chairman's indulgence and your answers. Thank you.

Mr. BURGESS. The gentleman's time has expired.

Seeing no other members wishing to ask questions, the chair would inquire of the gentlelady from Illinois if she has concluded questioning her thought?

Ms. SCHAKOWSKY. I do not and I need to go.

Mr. BURGESS. The gentlelady needs to go.

So, and it came up, Mr. Bainwol, Mr. Bozzella, and with you, Mr. Wilson, the all hands on deck nature of this. And we heard the very emotional testimony from Mr. Olson, who has now lost two constituents to an airbag rupture. And it is important. We have a role. You have a role. Perhaps we can enlist help from insurance companies and state DMVs.

But let me just once again stress, moms and dads, brothers and sisters, you have a role. And this data is easily accessible to you. The lower left hand of your windshield is your vehicle identification

number, just inside the driver's side doorpost, behind as you get in and out of the car on the driver's side. Safercar.gov. Safe with an R car.gov and you can query the database. Any time you take your car in for service, you would ask the dealer have you queried the database.

This data will change. It is not static. We heard this morning about another 30,000 cars that have been added for a recall. So, the database, you can't just check it the first of the year and be done with it. You need to check from time to time. Perhaps an appropriate interval is when you take your car in for service. But this has been, obviously a very important hearing and I do want to thank all of our witnesses for being here today.

Before I conclude, I would like to submit the following documents for the record by unanimous consent: a letter from RMA, a letter from PCI, a letter to the National Automobile Dealers Association.

[The information appears at the conclusion of the hearing.]

Mr. BURGESS. Pursuant to committee rules, I remind members they have 10 business days to submit additional questions for the record.

Oh, and I forgot. I will have a question dealing with the event data recorders that are in automobiles. And as to the ownership of that data, who has title to that information? This actually came up when we did the uncommanded acceleration hearings several years ago. Who owns the data in the electronic data recorders? And I will submit that for the record.

Ms. SCHAKOWSKY. I have one as well, if I could request.

Mr. BURGESS. Sure.

Ms. SCHAKOWSKY. I would like to submit for the record the letter that we received from Mrs. Houck and Mr. Brangman. Did you already do that?

Mr. BURGESS. Yes, I did.

Ms. SCHAKOWSKY. Oh, I am sorry. Thank you.

Mr. BURGESS. I ask witnesses to submit their responses to written questions within 10 business days upon receipt of the questions.

It has been a good hearing. I think we have learned a lot. I think we all recognize that there is still a lot to do and I encourage people to check the NHTSA Web site. It is extremely important.

With that, the subcommittee is adjourned.

[Whereupon, at 12:34 p.m., the subcommittees were adjourned.]

[Material submitted for inclusion in the record follows:]

RUBBER
manufacturers
association

1400 K Street, NW • Washington, DC 20005 • tel (202) 682-4800 • fax (202) 682-4854 • www.rma.org

STATEMENT OF THE RUBBER MANUFACTURERS ASSOCATION
Anne Forristall Luke
President & CEO

House Commerce, Manufacturing and Trade Subcommittee
Hearing on FAST Act Implementation
April 14, 2016

Thank you, Chairman Burgess, Ranking Member Schakowsky and members of the House Commerce, Manufacturing and Trade Subcommittee for this opportunity to submit a statement for the record on behalf of the Rubber Manufacturers Association, the national trade association for tire manufacturers that produce tires in the U.S.

RMA members are: Bridgestone Americas, Inc., Continental Tire the Americas, LLC, Cooper Tire & Rubber Company, The Goodyear Tire & Rubber Company, Michelin North America, Inc., Pirelli Tire North America, Toyo Tire Holdings of Americas Inc. and Yokohama Tire Corporation. RMA members employ approximately 100,000 workers and generate sales of more than $25 billion annually.

Safety is the tire manufacturing industry's top priority. RMA and its members were actively engaged in the process to advance motorist safety throughout the consideration of the Fixing America's Surface Transportation (FAST) Act. We remain keenly interested in the prompt implementation of three tire-related provisions which we successfully advocated for inclusion in the FAST Act:

- Minimum tire standards for rolling resistance and wet traction to advance the goals of fuel efficiency and safety
- Requiring tire sellers to register tires with manufacturers to boost registration rates and improve the ability of tire manufacturers to directly notify consumers of a recall
- Directing NHTSA to develop a consumer-friendly tire recall look-up tool by Tire Identification Number (TIN)

RMA's member companies believe these provisions, when fully implemented by the National Highway Traffic Safety Administration (NHTSA), will provide significant and lasting safety and fuel efficiency improvements for American motorists. We want to work with the Committee and NHTSA to ensure implementation of these important regulations in a timely manner.

We understand that NHTSA has many competing demands and additional new rulemakings required by the FAST Act. RMA's desire is to work with NHTSA to implement the FAST Act's tire-related regulations as expeditiously as possible. RMA and its members are eager to provide appropriate assistance and expertise to advance these vital policies.

As important, RMA and its members recognize the challenges faced by NHTSA with competing rulemakings in an era of limited funding. To help ensure that NHTSA has the resources needed to achieve its rulemaking goals, RMA is advocating for sufficient funding for NHTSA to act on these regulations. We support the Administration's FY 2017 request for $43 million for the agency's rulemaking initiatives.

Lastly, RMA believes that the NHTSA program to provide consumers with consistent information to evaluate tire fuel efficiency, wet traction and durability, required by Congress under the 2007 Energy Independence and Security Act (EISA), is also important. More than eight years after enactment, this provision still has not been implemented. RMA is encouraged that the White House announced in December 2014 that NHTSA would finalize this rule by 2017. According to the most recent published timeline, a proposed rulemaking is to be transmitted to the White House Office of Management and Budget by April 21, 2016. We urge that this rulemaking be completed without further delay.

I wish to thank Chairman Burgess, Ranking Member Schakowsky and the members of this Subcommittee for the opportunity to express my industry's appreciation for completing the FAST Act and for consideration of RMA's views today. I am excited to be a part of this innovative, high-technology industry that is committed to the highest safety standards, and to work collaboratively with the Committee, Administrator Rosekind and his team at NHTSA to implement public policy that enhances the safety of American motorists.

Anne Forristall Luke
President & CEO
Rubber Manufacturers Association

Property Casualty Insurers
Association of America

Advocacy. Leadership. Results.

Statement for the Record

Property Casualty Insurers Association of America (PCI)

"Oversight of the National Highway Traffic Safety Administration"

Subcommittee on Commerce, Manufacturing and Trade

Committee on Energy and Commerce

United States House of Representatives

April 14, 2016

The Property and Casualty Insurers Association of America (PCI) commends Chairman Burgess, Ranking Member Schakowsky and the Subcommittee on Commerce, Manufacturing and Trade for holding this important hearing on "Oversight of the National Highway Safety Traffic Safety Administration." The Property Casualty Insurers Association of America (PCI) represents nearly 1,000 insurers, representing the broadest cross section of insurers of any national trade association. PCI members write more than $195 billion in annual premium and 35% of the nations' home, auto and business insurance market.

Increasing Accidents and Deaths on Our Roads is Cause for Concern

Until recently, auto accident frequency and fatalities had been gradually declining nationwide, but the trend has reversed, with auto accident frequency and deaths significantly increasing while auto repair and medical costs continue to soar.

The National Highway Traffic Safety Administration (NHTSA) reported in January that fatalities increased by more than 9 percent in the first nine months of 2015 as compared to the same period in 2014. Statistics from the National Safety Council (NSC) paint an even bleaker picture, indicating that the increase in highway fatalities last year was the largest in the last 50 years and reporting that 38,000 people died on U.S. roads in 2015. The 8-9 percent increase in highway fatalities last year compares with a less than 0.5 percent increase in 2014 and a 3 percent decline in 2013. While safety is always our first concern, the burden that these crashes place on society is extremely high. Last May, before the recent increase in fatalities, NHTSA estimated that the costs to society of auto accidents was $836 billion per year.

More auto accidents mean more auto insurance claims. In the past, personal auto vehicle damage (property damage liability and collision) claim frequency had been stable or declining, helping to offset the rising inflationary cost of claims and keeping the loss cost per insured vehicle down. Since 2013,

however, claim frequency (or the number of auto accidents resulting in property damage claims) has risen significantly.

Accident severity, or the cost of the average claim, had been slowly increasing over the last decade, but has now spiked upward for the worse. The increase in accidents, coupled with increasing accident severity, are a serious concern to both insurers and consumers as higher loss costs have historically meant higher auto insurance premiums.

There are many external factors that contribute to increased auto accidents and vehicle damage claim frequency and severity, including traffic congestion; distracted driving (e.g., the use of cell phones, texting); alcohol and or drug impaired driving; and poor road surfaces and bridges.

There Are Public Policy Solutions That Can Help

With an increase in traffic, promoting distracted driving awareness and enacting and enforcing effective distracted driving laws are essential. Drug impaired driving is increasing and policymakers need to ensure that law enforcement agencies have available appropriate tests and standards especially as states decriminalize marijuana and opioid abuse continues to worsen.

The FAST Act (Fixing America's Surface Transportation Act), which became public law in December 2015, includes several critical provisions that need to be implemented by the U.S. Department of Transportation. For example, the FAST Act requires:

- NHTSA to coordinate with states on a "High Visibility Enforcement Program" to increase the use of seat belts and reduce alcohol- and drug-impaired driving.
- The Secretary to administer "National Priority Safety Programs" with the goal of dispersing funds to states with effective programs to reduce highway deaths and injuries resulting from: impaired driving, distracted driving and unrestrained vehicle occupants.
- The Secretary to study the feasibility of establishing an impairment standard for drivers under the influence of marijuana and provide recommendations on how to implement such a standard.

Passing these provisions as part of the FAST Act was an excellent start, but Congress must provide oversight to ensure that the programs are properly implemented. It is also essential that Congress fund the study on marijuana to provide law enforcement an impairment standard and testing protocol. A well-developed impairment standard also will be essential for public education efforts to ensure responsible behavior in states that decriminalized marijuana.

Congress should urge the Secretary of Transportation to quickly execute the initiatives set forth in the FAST Act and Congress should fully fund the marijuana impairment study.

Carol "Cally" Houck, Mother of Raechel and Jacqueline Houck
Ojai, California
Alexander Brangman, Father of Jewel Brangman
San Diego, California

April 14, 2016

Jeff Carlson
Chairman, National Automobile Dealers Association
8400 Westpark Drive
Tysons, VA 22102

Dear Mr. Carlson:

As parents of precious, beautiful, talented daughters killed by recalled cars with lethal safety defects, we are appalled that you would claim that "only 6 percent of recalls are 'hazardous.'"[1] Our daughters were driving or riding in cars with the very defects that you claim are not hazardous, and therefore acceptable for your car dealer members to sell to the public without repairing the defects first. Not only is your assessment of the risks posed by auto safety recalls totally false, but it is dangerous, irresponsible, and dead wrong.

You also show a stunning disregard for the individuals and families across the nation who have suffered profound losses due to defects such as exploding Takata air bags, which remain in millions of vehicles across the nation. Those ticking time-bombs have already killed at least eleven people, most recently a 17-year-old teenager in Texas. They have also blinded a military officer and a young boy, and caused many other serious injuries.

Alexander's daughter Jewel Brangman was only 26 when she was killed by a recalled Takata air bag that severed an artery in her neck, after a low-impact collision, causing her to bleed to death. According to you, because Honda chose not to issue a voluntary, discretionary "stop drive" warning at the time, that defect was not "hazardous." How can you deny the hazardous nature of the defect, when it caused Jewel's death?

Cally's daughters Raechel and Jacqueline were only 24 and 20 when they were killed by a

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1"Carlson vows to press NADA's fight against regulation," *Automotive News*, April 2, 2016. http://www.autonews.com/article/20160402/RETAIL06/160409936/carlson-vows-to-press-nadas-fight-against-regulation?cciid=email-autonews-asdetroit Quote in context: "Carlson said only dealers should be authorized to perform all recall repairs for all customers, though he cautioned against legislation to require dealers to fix all recalls on used cars prior to sale. Such a move would ground millions of cars unnecessarily and diminish vehicle trade-in values, because only 6 percent of recalls are 'hazardous,' he said, citing a 2014 analysis by the Alliance of Automobile Manufacturers."

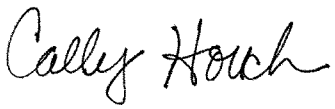
recalled Chrysler PT Cruiser with a steering hose defect. According to you, because Chrysler chose not to issue a voluntary "stop drive" warning at the time, their deaths do not count either, when it comes to how you and the National Automobile Dealers Association decide which safety defects are "hazardous."

What about the tragic losses suffered by hundreds of other individuals and families due to safety defects like stalling in traffic, catching on fire, the GM ignition switch defect that causes cars to lose power steering and braking and the air bags to shut off, brake failures, seat belt failures, carbon monoxide poisoning, and other lethal safety defects? Are you so focused on the bottom lines of dealers who (unlike AutoNation) do not guarantee a "recall-free" car, that you think you can utterly ignore the profound grief and suffering those defects have caused, and is that suffering so meaningless to you that it does not even exist?

Unfortunately, you are sending exactly the wrong message to the millions of owners of unsafe, defective recalled cars. If car dealers think that 94% of safety recalls are unimportant, and can be ignored because the defects are not "hazardous," why should owners of those recalled cars go to significant lengths to get their recalled cars repaired at car dealerships?

We call upon you to publicly retract your irresponsible, dangerous, and false statement. Particularly at a time when the National Highway Traffic Safety Administration and auto manufacturers are seeking to improve recall compliance rates, no one in a responsible, leadership position in any auto industry trade association should downplay the risks involved in ignoring safety recalls.

Sincerely,



Carol "Cally" Houck, Mother of Raechel and Jacqueline Houck

Alexander Brangman, Father of Jewel Brangman

FRED UPTON, MICHIGAN
CHAIRMAN

FRANK PALLONE, JR., NEW JERSEY
RANKING MEMBER

ONE HUNDRED FOURTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115
Majority (202) 225–2927
Minority (202) 225–3641

April 28, 2016

Dr. Mark Rosekind
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Dr. Rosekind,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Thursday, May 12, 2016. Your responses should be mailed to Giulia Giannangeli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to **Giulia.Giannangeli@mail.house.gov.**

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

Attachment - Additional Questions for the Record

The Honorable Michael C. Burgess, M.D.

1. Congress included many reforms in the safety title of the FAST Act. Among those reforms included direction to NHTSA to implement 17 recommendations issued by the Department of Transportation Office of Inspector General following a comprehensive audit of the agency's internal processes. NHTSA has pledged to implement all17 recommendations by June 30th of this year. Please provide a full breakdown of NHTSA's progress toward implementing all 17 recommendations.

RESPONSE: NHTSA delivered responses to nine of the 17 recommendations under the aggressive schedule the Agency established. The Office of Inspector General closed eight recommendations (Recommendation Nos. 2, 3, 5, 6, 10, 13, 15, and 17) and is reviewing Recommendation No. 11. NHTSA is on schedule to implement the remaining recommendations on or before June 30, 2016.

2. In March, NHTSA staff held a briefing with Energy and Commerce Committee staff about the implementation progress of the 17 recommendations from the IG's Audit Report. During the call, NHTSA staff indicated that to fulfill recommendation #15 - which calls for the development and implementation of guidance on the amount and type of information needed to determine whether a potential safety defect warrants an investigation proposal and investigation - the agency would be putting together "risk matrices" to help determine whether a potential safety defect warrants an investigation. At the time, NHTSA staff indicated that it had only developed one matrix on stalling, but had pledged to the Inspector General that it would develop 10 more. Have any additional risk matrices been developed? If so, what topics do they cover beyond stalling? If not, when can we expect those to be developed, what topics or risks will they cover, and will they be made available to view by the public?

RESPONSE: NHTSA has developed additional draft risk matrices in the following areas:

1. Loss of Motive Power (replaces Stalling)
2. Speed control
3. Service brakes
4. Autonomous braking
5. Steering
6. Suspension
7. Wheels
8. Tires
9. Non-crash fires
10. Vehicle rollaway
11. Frontal Air Bags
12. Side Air Bags
13. Seat Belts
14. Child Safety Seats
15. Headlights

16. Brake Lights
17. Turn Signal-Hazard Light
18. Other Lighting Systems
19. Door and Liftgate Latches
20. Hood Latch

NHTSA plans to continually evaluate and refine these initial matrices over the next twelve months to ensure they accurate reflect the potential safety risk posed by that component. The Agency has already begun2 this process and anticipates completing evaluations of some of the matrices by the end of the year. However, full evaluation of some matrices will require testing under actual conditions (i.e., applying them to actual matters the Agency identifies through consumer or manufacturer submitted information), and as such the opportunity to test under actual conditions for some of the matrices will take some time. As each matrix is ready for full deployment, NHTSA will release it to the public.

3. The FAST Act directs the Secretary to improve public awareness of safety recall information. Has the agency issued any public service announcements to improve the public awareness of safety recall information? Have you been able to determine the effectiveness of those public service announcements in increasing recall completion rates? If NHTSA has not issued any PSAs, does the agency have any plans to do so?

RESPONSE: In January 2016, NHTSA launched a national online advertising campaign to increase awareness of recalls, but the agency has not launched a traditional television or radio public service announcement (PSA). Because the Agency's advertising has not been directed toward a particular recall, it is difficult to measure the effectiveness of the campaigns on completion rates for a specific recall.

4. What do you see as the agency's policy priorities for the rest of the year?

RESPONSE: The Agency's policy priorities include making progress to encourage safe behavior on the roads, improving the safety performance of vehicles through regulation and non-regulatory means, identifying and addressing unreasonable risks to safety through the defect recall process, accelerating the development of innovative safety technologies and continuing efforts to create a proactive safety culture within the auto industry.

In the vehicle safety area, NHTSA is focused on promoting change in the auto industry and dramatically improving the Agency's ability to detect potential defects, particularly those involving vehicle systems rather than individual parts. NHTSA is promoting a proactive safety approach by the motor vehicle industry. This includes advocating for and actively supporting cultural change that borrows heavily from the lessons learned by the health care and aviation industries. Our goal is to make NHTSA an agent for positive change, both internal and external, to ensure that vehicle safety issues are detected and corrected as quickly as possible.

In the behavioral safety area, NHTSA is focused on a topic that receives far less public and media attention than it is due: human behavior on the roads. NHTSA research shows that in 94 percent of crashes, a human error or decision is the critical reason for the crash. Earlier this year, NHTSA held a series of one-day traffic safety events throughout the country to engage our stakeholders and the public on how to meet the challenge of reducing motor vehicle crashes, injuries and fatalities over the next decade. The focus was on identifying new and innovative approaches, and on building and strengthening partnerships. The Agency will be putting together a near-term action plan to refine our range of behavioral countermeasures.

a. Are there any rulemakings that you project will be initiated this year beyond the requirements included in the FAST Act?

RESPONSE: Yes. NHTSA anticipates completing rulemakings started under previous authorizations, initiating rulemakings to address incoming petitions, and implementing necessary upgrades to existing standards.

b. Are there plans to develop any additional guidelines beyond the phase II guidelines that have already been submitted to OMB?

RESPONSE: In the area of distraction, the Agency is focused on completing our work with respect to Phase II. NHTSA is evaluating whether there is a need for additional guidelines but it has not made any final decisions.

c. Any plans to restructure the Administration, including working groups and advisory committees that we should be aware of?

RESPONSE: At this time there are no actions in place to restructure the Agency or establish working groups or advisory committees. If that changes, NHTSA will inform the Committee.

5. Do you believe the insurance industry could play a role in maximizing recall completion rates? If so, please explain. If not, please explain why not. Has NHTSA had any conversations to date with representatives from the insurance industry about the industry's involvement in maximizing recall completion rates?

RESPONSE: Yes, the insurance industry could play a pivotal role in maximizing recall completion rates. NHTSA has had conversations with several insurers about ways they could contribute to recall completion. For example, a reduction in premium may incentivize policy holders to complete safety recall repairs. Insurers, who hold the VINs for all vehicles they insure, could also coordinate with automakers or subscribe to commercial vehicle history data services that provide recall data to automakers) to identify vehicles with open recalls and notify owners of those recalls.

6. In late 2014, Toyota issued a NHTSA-approved notice authorizing Toyota dealers to disconnect recalled passenger-side Takata airbags. On the Takata page of the Safercar.gov website, NHTSA states that it does not recommend the disablement of recalled airbags

(http://www.safercar.gov/rs/takata/takata-faq.html). Has any other OEM issued a NHTSA-approved notice to its dealers authorizing the disablement of recalled Takata airbags?

RESPONSE: NHTSA did not approve the Toyota notice. Because of concerns about passenger safety and lack of replacement parts, Toyota asked if NHTSA would enforce provisions prohibiting disconnection of a required safety device. NHTSA responded that it would employ its enforcement discretion and not take action against Toyota dealers disconnecting these passenger air bags. Toyota has since discontinued this practice as replacement passenger inflators for the vehicles involved are now available, and has reconnected over ninety percent of the disconnected passenger inflators. NHTSA believes that Toyota is the only manufacturer involved in the Takata recall that temporarily disconnected passenger air bags.

NHTSA does not recommend disconnecting passenger air bags. The failure rate for the defective air bag modules in the affected vehicles is minimal. In the vast majority of crashes the defective air bags will not rupture upon deployment and will provide much more protection than a vehicle having no air bags. NHTSA estimates that frontal air bags saved 2,400 lives in 2014 alone. It is far more likely that, if you are involved in a crash, your air bag will perform properly and protect you than that it will rupture and cause harm.

7. Cybersecurity is a growing concern as more incidents of vehicle hacking are reported in the media. Should cyber vulnerabilities in vehicles be approached differently, in terms of the recall response from the agency and reporting requirements from automakers, than traditional safety defects found in motor vehicles? Please explain.

RESPONSE: Yes. While traditional motor vehicle safety defects are generally evaluated based on severity and frequency of the defect conditions, cyber vulnerabilities should be approached differently. For cyber vulnerabilities, the safety risks should be evaluated by assessing the probability of an attack and the severity, should the attack occur. The probability of an attack is based on the difficulty of exploiting the vulnerability. The severity for cyber vulnerabilities is based on whether safety-related vehicle functions are impacted and whether this can occur while the vehicle is in motion.

a. Do you think there is any harm in publicizing the vehicle cybersecurity vulnerability, as done with traditional safety defects in Part 573 reports, before consumers have had an opportunity to get their vehicles repaired?

RESPONSE: A vulnerability should not be publicized until effective countermeasures are developed and deployed, in cases where the vulnerability poses an imminent risk.

8. NHTSA recently issued a request for public comment on a proposed Enforcement Guidance Bulletin. What is the goal of that proposal and how do you see it relating to efforts to address cybersecurity within the auto industry? Does NHTSA intend to create cybersecurity standards for auto manufacturers?

RESPONSE: The proposed Enforcement Guidance Bulletin sets forth NHTSA's current views on emerging automotive technologies and related cybersecurity issues, and suggests guiding principles and best practices for motor vehicle and equipment manufacturers in this context. The agency is considering all options for improving the cybersecurity posture of motor vehicles.

9. The recently enacted FAST Act contains three tire-related provisions for which rulemakings are required: tire performance standards for rolling resistance and wet traction; mandatory tire registration by tire sellers at point of sale; and a tire recall lookup tool on NHTSA's web site. What is the agency's timetable for implementing each of those rulemakings?

RESPONSE: The FAST Act requires NHTSA to promulgate regulations for tire rolling resistance and wet traction minimum performance standards by December 4, 2017. NHTSA has already begun the required testing to guide the wet traction regulation.

The FAST Act requires NHTSA to initiate a rulemaking for mandatory tire registration by independent sellers. There is no statutory deadline for completing this rulemaking and the agency has not yet developed a time table for completing this rulemaking. The agency is gathering information and meeting with stakeholders to discuss this requirement.

The FAST Act requires NHTSA to establish a publicly available and searchable electronic tire recall database. The statute does not require this provision to be implemented through a rulemaking and there is no statutory deadline. NHTSA has not yet developed a time table for completing this provision. The agency is gathering information and discussing the requirement with stakeholders.

10. Administrator Rosekind, the agency has indicated that it is looking at additional authorities it might need to sufficiently regulate and oversee the development and deployment of autonomous vehicles. What additional authorities do you believe the agency needs from Congress to adequately regulate and oversee the safe development and deployment of autonomous cars?

RESPONSE: On January 15, Secretary Foxx directed NHTSA to take several actions to facilitate and accelerate the safe implementation of automated and other advanced safety technologies. One of these actions was to identify new tools and authorities that might be needed to support the deployment of automotive safety technologies including those necessary to ensure that fully autonomous vehicles are deployable in large numbers when they are demonstrated to provide an equivalent or higher level of safety than is now available. These actions are ongoing and will be completed this summer.

11. As part of the FAST Act, NHTSA is required to study the feasibility of searching multiple VINs, also referred to as "batching," which would allow the industry to monitor the recall status of used vehicle inventory more effectively. What is the status of this study? Is NHTSA coordinating with the industry (including manufacturers, dealers, and auctions)? When will the study be completed?

RESPONSE: NHTSA has not yet developed a time table for completing this study. The agency is gathering information and discussing the requirement with stakeholders. NHTSA is closely studying options that exist in the commercial arena and that do not involve the Agency's data systems or resources for collecting and managing this data. The Agency's VIN lookup tool is intended to assist the individual consumer, and attempting to accommodate demands in that system may compromise its effectiveness for consumers. The information the Agency has gathered to date suggests that tools exist in the private sector that may support a private sector's provision of services.

12. NHTSA has not completed a rulemaking required under the 2007 Energy Independence and Security Act (EISA) that mandated consumer information about tire fuel efficiency, wet traction and tread wear. The White House announced in December 2014 that NHTSA would finalize that rule by 2017. According to NHTSA's most recent schedule, a proposed rule is now expected to be sent to the Office of Management and Budget by April 21 after it had been expected to be sent in February. What is the agency's revised timetable for completing this rulemaking within the White House imposed deadline?

RESPONSE: NHTSA published a final rule in 2010 establishing test methods that would be used for the new consumer information program. However, the 2010 final rule did not specify the content or requirements of the consumer information and education portions because NHTSA needed to conduct additional consumer testing and resolve important issues raised by public comments on the proposal. The agency is drafting a supplemental notice (SNPRM) and expects to issue a final rule in 2017.

13. In February, the GAO completed a report on NHTSA's oversight of safety defects and new automotive technology. The GAO refrained from recommending that the agency put together a strategic plan because the Transportation Research Board had already made that recommendation, and the GAO said NHTSA would be releasing a strategic plan this Spring. Is that still the case? When can we expect that strategic plan to be completed? Who at NHTSA is working on putting it together?

RESPONSE: The NHTSA Strategic Plan is scheduled to be made public in June 2016. The Office of Governmental Affairs, Policy and Strategic Planning is leading the effort with input from program offices across the agency.

14. Is the Security Credential Management System for V2V fully operational? And if so, how many vehicles equipped with V2V communications capability will be supported by the SCMS? If the SCMS is not fully operational, when do you expect it to be up and running?

RESPONSE: NHTSA expects that a National SCMS for V2V will be operational in time to support the phased-in implementation of a vehicle-to-vehicle Federal Motor Vehicle Safety Standard. At full deployment, a National SCMS will need to support 350 million vehicles.

15. The FAST Act directs the Secretary of Transportation to establish and administer a high-visibility enforcement program to reduce alcohol-impaired or drug-impaired operation of motor

vehicles, and increase the use of seatbelts by occupants of motor vehicles. The FAST Act also includes requirements related to the administration of National Priority Safety Programs to help reduce highway deaths and injuries, and directs the Secretary to conduct a study on marijuana-impaired driving in consultation with heads of other Federal agencies. What is NHTSA's role in the implementation and administration of the high-visibility enforcement program, the National Priority Safety Program, and the study on marijuana-impaired driving? When do you expect each of those FAST Act requirements to be implemented? When will the marijuana-impairment study be completed?

RESPONSE: NHTSA provides comprehensive support to States for implementing High Visibility Enforcement (HVE) programs. The Agency administers and oversees grants to States for HVE operations, including law enforcement activities; provides guidance and evaluates program implementation; and coordinates national media campaigns associated with safety priorities.

In accordance with the FAST Act, NHTSA provides grants to States under the National Priority Safety Program. The Agency issued a rulemaking implementing the FAST Act provisions related to these grants on May 16, 2016. The Agency will provide technical assistance to States in preparation for the statutory grant application due date of July 1, 2016.

As directed in the FAST Act, NHTSA is conducting a study on marijuana-impaired driving in consultation with the heads of other Federal agencies and other research partners. The Agency is developing and conducting this study using findings from the National Roadside Survey, a similar roadside survey conducted by Washington State, and other previously conducted research projects. NHTSA intends to complete this study by December 2016.

16. How is NHTSA engaged in the TTIP negotiations between the US and the EU on auto sector regulatory convergence? What actions is NHTSA taking to make sure the final TTIP agreement includes meaningful regulatory convergence of existing US and EU auto standards? What is NHTSA doing to drive the development and adoption of common US-EU auto safety standards for future safety rules and what principles guide such activity?

RESPONSE: NHTSA is actively participating in the TTIP negotiations and providing comparison data, research and information on U.S. vehicle safety standards, legal requirements on regulatory procedure, certification procedures and enforcement processes. NHTSA is exploring a number of avenues to promote safety and reduce unnecessary regulatory differences in existing standards without reducing safety in the U.S. For future standards, NHTSA is working to develop a bilateral program to minimize unnecessary divergence. The principles that guide this work are improved transparency, closer coordination in the pre-rulemaking phase, and streamlining the development of each candidate standard. This work includes cooperation on crash data collection and analysis, safety problem identification and prioritization, research and rulemaking.

The Honorable Gregg Harper

1. Administrator Rosekind, the FAST Act includes a requirement for vehicle manufacturers to include component or part information in their Part 573 report to the agency when a safety recall involves a specific component or part. Is that information now being provided by vehicle manufacturers' in their recall reports to the agency?

RESPONSE: Some specific component or part information is being provided by manufacturers. Amending Part 573 reporting requirements requires a rulemaking. The Agency is reviewing its current Part 573 requirements and is evaluating how best to implement this provision.

a. Follow Up: Are there additional steps NHTSA can take to make sure the component part information provided by manufacturers in their Part 573 reports is readily available to aftermarket suppliers and recyclers?

RESPONSE: NHTSA makes the Part 573 reports publicly available, with limited exceptions (e.g., recalls taken over by later recall campaigns, recalls held in abeyance for consideration of petitions filed under 49 CFR 556). The information is posted online shortly after it is accepted into the Agency's reporting system and a preliminary review is completed by staff, making it readily available to anyone, including suppliers and recyclers.

2. In addition to reaching 100% recall completion, what do you see as the agency's policy priorities for the rest of the year?

RESPONSE: The Agency's policy priorities include making progress to encourage safe behavior on the roads, improving the safety performance of vehicles through regulation and non-regulatory means, identifying and addressing unreasonable risks to safety through the defect recall process, accelerating the development of innovative safety technologies and continuing efforts to create a proactive safety culture within the auto industry.

In the vehicle safety area NHTSA is focused on promoting change in the auto industry and dramatically improving the Agency's ability to detect potential defects, particularly those involving vehicle systems rather than individual parts. NHTSA is promoting a proactive safety approach by the motor vehicle industry. This includes advocating and actively supporting cultural change that borrows heavily from the lessons learned by the health care and aviation industries. Our goal is to make NHTSA an agent for positive change, both internal and external, to ensure that vehicle safety issues are detected and corrected as quickly as possible.

In the behavioral safety area NHTSA is focused on a topic that receives far less public and media attention than it is due: human behavior on the roads. NHTSA research shows that in 94 percent of crashes, a human error or decision is the critical reason for the crash. Earlier this year, NHTSA held a series of one-day traffic safety events throughout the

country to engage our stakeholders and the public on how to meet the challenge of reducing motor vehicle crashes, injuries and fatalities over the next decade. The focus was on identifying new and innovative approaches, and on building and strengthening partnerships. The Agency will be putting together a near-term action plan to refine our range of behavioral countermeasures.

The Honorable Brett Guthrie

1. You have the ability to issue a "do not drive" order for recalled vehicles, which emphatically tells consumers to park the car and have it towed to a dealership for repairs. What is the standard for issuing a "do not drive" order and how often does this occur?

RESPONSE: NHTSA does not have the authority to order consumers not to drive their vehicles. In appropriate circumstances, NHTSA may require a manufacturer to advise consumers not to drive their vehicles until a safety-related defect or noncompliance is remedied. NHTSA believes that "do not drive" or "stop drive" warnings and notices should be issued in instances where the safety risk posed by a defect is severe or catastrophic, and there is a high probability that the defect will manifest itself when the vehicle or equipment item is in use. Within the last five years, manufacturers have issued a small number of "do not drive" instructions in recall notices, and no manufacturer has refused to issue a "do not drive" or "stop drive" after NHTSA recommended that they do so.

2. Regarding the Administration's implementation of what is referred to as the "One National Program"-regulating fuel economy for light duty vehicle fleets-my understanding is that despite this noble goal there still actually exist three separate sets of regulations: EPA, NHTSA, and California. Is it correct that differences between the EPA and NHTSA programs still exist because they were created under two different statutes?

RESPONSE: Yes, NHTSA, EPA, and California Air Resources Board (CARB) each have their own regulations due to their separate statutory authorities. NHTSA is directed to regulate fuel economy, while EPA and CARB regulate greenhouse gas (GHG) emissions. Fuel economy and GHG emissions are directly linked, as the CO2 exhaust emissions per gallon of fuel consumed are essentially constant. Because of the different statutory authorities, the programs differ in some ways, but are structured to be harmonized such that manufacturers may build a single fleet of vehicles to meet all requirements.

3. Could you explain why it's the case that there are differences between the usable life of credits under the two federal programs, five years under NHTSA and up to ten years under the EPA program?

RESPONSE: NHTSA's usable life of credits, five consecutive model years, is dictated by statute. EPA set its useable life of credits by regulation, and established a program under which usable life varies based on the year in which the credit was earned.

Specifically, the usable life of EPA credits phased down from eleven years to five years over the course of model years 2010 through 2016.

As a result, NHTSA and EPA's usable life of credits is presently in alignment. Beginning with model year 2016 vehicles and continuing into the future, both agencies allow for five years of usable credit life. Any changes to the usable life of present or future credits earned under NHTSA's program would create a misalignment with EPA's program. Further, any retroactive changes to the usable life of previously earned credits under NHTSA's program would give some manufacturers a windfall, whereas manufacturers who did not earn credits as part of their long-term compliance plan would suffer a comparable competitive loss.

a. Why should an automaker who earns credits under the very stringent EPA program be penalized in its ability to use credits from that product under the NHTSA program simply because NHTSA has a shorter expiration period?

RESPONSE: NHTSA has structured the way in which credits can be used in accordance with the relevant fuel economy statutes. Credits generated by vehicles produced starting in model year 2016 have the same usable life under both the NHTSA and EPA program.

4. My understanding is that there are differences between the EPA and NHTSA fleet transfer programs that affect how credits earned by exceeding the requirements for one fleet (such as a light truck fleet) can be used to cover deficiencies in another fleet (such as a car fleet). First, is my understanding correct, and second, could you explain what those differences are?

RESPONSE: Yes, your understanding is correct. The differences between the EPA and NHTSA programs are a result of different statutory authorities for the regulation of fuel economy and greenhouse gases. However, the programs were structured to account for these differences.

As part of the Energy Independence and Security Act of 2007 (EISA) amendments to EPCA, NHTSA was required to establish a CAFE credit transferring program to allow a manufacturer to transfer credits between its car and light truck fleets to achieve compliance with the standards. However, EISA imposed a cap on the amount by which a manufacturer could raise its CAFE standards through transferred credits. The caps ensure that fuel economy improvements are attained in both the passenger car and light truck fleets. Manufacturers transferring or trading credits to another compliance category are also subject to an adjustment factor to ensure total fuel savings are preserved.

Under section 202(a) of the Clean Air Act (CAA) there is no statutory limitation on car/light truck credit transfers, and EPA's GHG program allows unlimited credit transfers across a manufacturer's car/light truck fleet to meet the GHG standard. EPA also requires manufacturers to use an adjustment factor in transferring credits across cars/trucks, in a similar way as the CAFE program, to preserve total GHG emissions reductions.

5. Beyond credit transfers and usable life, could you summarize other major differences between the NHTSA and EPA programs that may make compliance more difficult in one program than the other?

RESPONSE: NHTSA does not believe there are any major differences between the NHTSA and EPA programs that make compliance significantly more difficult in one program than the other. NHTSA and EPA have worked closely to ensure that their respective programs, taking all relevant statutory considerations into account, will work in a coordinated fashion, and will provide regulatory compatibility that allows auto manufacturers to build a single national light-duty fleet that would comply with both the GHG and the CAFE standards. In harmonizing the programs, the agencies took great care to account for the different authorities and flexibilities available under the agencies' respective enabling statutes. While manufacturers bear the responsibility to develop compliance strategies that account for the differences between the programs, they may also avail themselves of various flexibilities under each program to assist them with obtaining compliance.

a. Is it possible that an automaker could be fully in compliance with one of the federal programs and yet find itself to be out of compliance in the other, and therefore possibly subject to fines?

RESPONSE: Yes. However, the agencies have sought to craft harmonized standards such that manufacturers may build a single fleet of vehicles to meet both agencies' requirements. Manufacturers will have to plan their compliance strategies to meet both the NHTSA standards and the EPA standards, but they can still build a single fleet of vehicles to accomplish that goal.

b. How much does the auto industry pay in CAFE-related fines today?

RESPONSE: For calendar year 2015, the last full year that NHTSA has data for, the auto industry paid civil penalties that totaled $2,588,360.50. Information regarding the civil penalties collected by the CAFE program since its inception can be found in NHTSA's Public Information Center at http://www.nhtsa.gov/CAFE_PIC/CAFE_PIC_Home.htm.

c. It has been reported that the disparity between credits that are expired under the NHTSA program but are still available under the EPA program could trigger fines totaling hundreds of millions of dollars in the near future. Does this seem plausible to you?

RESPONSE: NHTSA does not anticipate manufacturers paying such civil penalties in the near future. While NHTSA is statutorily precluded from considering credit balances in setting fuel economy standards, manufacturers may make full use of flexibilities in complying with the standards. These flexibilities include credit carry-back, credit carry-forward, credit transfers, and credit trading.

For model year 2016 and later motor vehicles (which are currently being produced), CO2 credits earned under EPA's program have a 5 year carry-forward life, which aligns with the CAFE program. Given these flexibilities, NHTSA does not anticipate significant shortfalls in compliance.

d. Are there instances where you would find it appropriate for a manufacturer to face NHTSA fines even though they have taken steps to meet all the requirements under the EPA program?

RESPONSE: There are instances where it is possible for a manufacturer to face civil penalties from NHTSA and not EPA. NHTSA discussed this possibility in the preamble to the final rule setting CAFE standards for MYs 2017 and beyond. As one example, EPA's rule takes into account reductions of direct air conditioning (A/C) emissions (i.e., refrigerant leakage), and establishes standards for methane and N2O, but NHTSA's rule does not because these emissions generally do not relate to fuel economy. If a manufacturer implements a higher level of direct A/C improvement technology (and correspondingly less fuel economy technology) to meet EPA's standards, NHTSA's standards would effectively be more stringent than EPA's, and manufacturers could face civil penalties if they take no other measures to meet NHTSA's standards. Conversely, if a manufacturer implements a lower level of direct A/C improvement technology (and more fuel economy technology), EPA's standards would effectively be more stringent than NHTSA's. However, this does not mean that the agencies' standards are not aligned. The agencies have sought to craft harmonized standards such that manufacturers may build a single fleet of vehicles to meet both agencies' requirements, and each manufacturer is free to choose its own compliance pathway, which could include one in which they pay civil penalties rather than meeting NHTSA's standards.

6. Would the Administration support amending the CAFE program to make it more flexible and address some of these differences between the two programs?

RESPONSE: NHTSA is currently in the process of conducting a Mid-term Evaluation of the model year 2022-2025 CAFE standards. Following the Mid-term Evaluation, NHTSA will conduct a rulemaking on the model year 2022-2025 CAFE standards. This opportunity will allow the agency to review stringency levels and existing flexibilities, pursuant to existing statutory authority. NHTSA is available to provide technical assistance on any amendments to the CAFE program statutes that Congress wishes to consider.

The Honorable Pete Olson

1. Today, auto manufacturers and suppliers based in in my district and throughout the United States are delivering new vehicles that meet consumer demand for fuel efficiency and comply with federal fuel economy standards. One of the critical roles that NHTSA plays is validating

vehicle safety as new and innovative materials are being utilized to make vehicles become lighter weight. In Section 31401 of MAP-21, this Committee directed the NHTSA Council for Emerging Technology to focus on innovative vehicle design by implementing the NHTSA Plastic and Composite Intensive Vehicle Safety Roadmap (Report No. DOT HS 810 863). The Appropriations Committee also directed NHTSA to continue its implementation of the Safety Roadmap in its Fiscal Year 2016 bill.

2. Can you update this Committee on the activities NHTSA is undertaking this year on lightweight vehicles to meet the MAP-21 mandate and the FY 16 appropriations report?

MAP-21 Language (PUBLIC LAW 112-141-JULY 6, 2012):
SEC. 31401. NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION ELECTRONICS, SOFTWARE, AND ENGINEERING EXPERTISE.
(a) COUNCIL FOR VEHICLE ELECTRONICS, VEHICLE SOFTWARE, AND EMERGING TECHNOLOGIES.-
(1) IN GENERAL.-The Secretary shall establish, within the National Highway Traffic Safety Administration, a Council for Vehicle Electronics, Vehicle Software, and Emerging Technologies (referred to in this section as the "Council") to build, integrate, and aggregate the Administration's expertise in passenger motor vehicle electronics and other new and emerging technologies.
(2) IMPLEMENTATION OF ROADMAP.-The Council shall research the inclusion of emerging lightweight plastic and composite technologies in motor vehicles to increase fuel efficiency, lower emissions, meet fuel economy standards, and enhance passenger motor vehicle safety through continued utilization of the Administration's Plastic and Composite Intensive Vehicle Safety Roadmap (Report No. DOT HS 810 863).
(3) INTRA-AGENCY COORDINATION.-The Council shall coordinate with all components of the Administration responsible for vehicle safety, including research and development, rulemaking, and defects investigation.

> RESPONSE: The Plastics and Composites Intensive Vehicle Safety Roadmap called for mid-term research to demonstrate prototype vehicle components or sub systems and static and dynamic lab scale testing to optimize crash performance. In 2014, NHTSA awarded a contract to design, develop, and test a carbon fiber B Pillar for a passenger vehicle. The contractor partnered with one auto manufacturer and the University of Delaware Center for Composite Materials for this project. The auto manufacturer has provided performance requirements for existing steel B Pillars. The University of Delaware provided material testing and prototype manufacturing expertise. This project has completed extensive material characterization, crash simulation, and design optimization, and is now conducting part fabrication. Impact testing will be conducted this summer and a report should be provided to NHTSA in August.

The Honorable Jan Schakowsky

1. NHTSA gave Takata until 2018 to prove that ammonium nitrate inflators that do not contain desiccant are safe and until 2019 to prove that ammonium nitrate inflators that do contain

desiccant are safe. Takata has agreed to phase out ammonium nitrate from its manufacturing process by the end of 2018.

a. Can a consumer still purchase a brand new car with a non-desiccated ammonium nitrate Takata airbag in it?

RESPONSE: There are a small number of new vehicles in the marketplace with non-desiccated frontal Takata air bag inflators. Although these frontal inflators will be recalled under the most recent expansion of the Takata recall, they are not currently recalled because it will take years of continuous exposure to hot and humid environmental conditions before these inflators present a risk of rupture. The Agency believes that prematurely recalling these new vehicles and prohibiting their sale would divert replacement parts that are critically needed to replace older inflators that have been exposed to hot and humid conditions and now pose an unreasonable risk to safety. NHTSA is also continuing to monitor the performance of other ammonium nitrate Takata inflators used in side air bags and other applications, but the Agency does not have any evidence that propellant degradation poses a risk in these other air bags.

b. Can a consumer still purchase a brand new car with a desiccated ammonium nitrate Takata airbag in it?

RESPONSE: Yes. The majority of inflators now produced by Takata employ a desiccated ammonium nitrate propellant. The performance of these inflators after exposure to hot and humid conditions is now being evaluated, but current evidence does not indicate that they pose the same rupture risk as non-desiccated Takata air bag inflators. There are no reported field ruptures of desiccated Takata frontal inflators.

c. Are all non-desiccated ammonium nitrate Takata airbags under recall or just the subset that is seven years old or older?

RESPONSE: The recently announced expansion of the Takata recall requires Takata to file defect reports with NHTSA for all non-desiccated frontal ammonium nitrate Takata air bag inflators under a schedule that is structured according to risk as determined by the best data available at this time. Under this schedule, which calls for the first defect report to be filed on May 16, 2016, the oldest and highest risk frontal inflators located in the highest risk climates will be addressed. Under the recently announced recall expansion, all non-desiccated ammonium nitrate frontal air bags will be recalled by the end of 2019.

d. Might these airbags being sold in new cars be subject to a future recall for the same defect that is the subject of the current recalls?

RESPONSE: Yes. Frontal air bags in new cars using Takata non-desiccated ammonium nitrate inflators will be subject to recalls in the future according to the

schedules incorporated in the Takata Consent Order. As noted above, long term exposure to heat and humidity causes degradation in non-desiccated Takata ammonium nitrate frontal air bag propellant. New cars with non-desiccated frontal air bags that are not already subject to a recall will be recalled at an appropriate date in the future (no later than December 31, 2019) to prevent the risk of harm presented by propellant degradation.

e. How easily can a consumer buying a new car right now find out what airbag is in the car and ensure he or she does not buy a car with a Takata airbag?

RESPONSE: Concerned consumers should contact the vehicle manufacturer to determine if a particular vehicle is equipped with a Takata air bag.

2. We are still hearing reports that drivers of vehicles under recall for a Takata airbag are bringing their cars in to be repaired and being told that the parts are not ready. While these customers wait, they are being given mixed messages. Some have been told to keep driving, others told to switch off the airbags, and still others told to have passengers sit in the backseat rather than the front. One news report showed NHTSA saying both that you should never turn off the airbag and that you can turn it off in certain situations.

a. Does NHTSA have a sense of when the parts will be ready?

RESPONSE: Parts are available for every vehicle that is part of the highest risk and highest priority group (priority group 1), with the exception of a small number of large delivery vans (Dodge Sprinter). NHTSA is working closely with the involved manufacturers, and understands the parts for the Dodge Sprinter will be available in the immediate future. Parts are also available in many of the other, lower risk and lower priority groups.

Where parts are not currently available, but a manufacturer has identified an estimated time when parts may be available, NHTSA provides that information on its website.

Through the Coordinated Remedy Program, NHTSA will continue to take those measures necessary to influence the supply of parts to address those vehicles that present the highest risk.

b. What should consumers do while they wait for parts to replace the potentially deadly inflators?

RESPONSE: Air bags, including air bags that are under recall, save lives and reduce injuries. The vast majority of Takata air bags will perform as expected, particularly those in newer vehicles and those located in geographic areas not subject to high heat and humidity. Dealers and manufacturers are not required to provide a loaner car and NHTSA does not have the authority to require this. However, if consumers feel uncomfortable driving their vehicles before the recall

repair has been performed, they can contact their dealer and ask for a loaner until an interim or a final repair is completed. Some manufacturers have accommodated this request.

3. As I mentioned during the hearing, Jeff Carlson, the recently elected Chairman of the National Automobile Dealers Association (NADA), said several weeks ago that we should not have legislation requiring dealers to fix all recalls on used cars before they are sold because only six percent of recalls are "hazardous." Mr. Carlson's statement was apparently based on a finding by the Alliance of Automobile Manufacturers that auto manufacturers chose to issue a "do not drive" warning in only six percent of safety recalls.

a. Does NHTSA require manufacturers to recall vehicles if a defect is not safety-related?

RESPONSE: Vehicles must be recalled if the vehicle contains a safety defect or the vehicle does not comply with a Federal Motor Vehicle Safety Standard (FMVSS). In either case, the defect or non-compliance presents a safety risk that must be addressed.

b. Does NHTSA categorize defects that lead to recalls by level of severity or does NHTSA believe all recalls should be taken care of as soon as possible?

RESPONSE: The Agency does not categorize recalls by level of severity. All safety defects and non-compliances should be remedied as soon as possible.

c. Do you agree with Mr. Carlson's statement that only six percent of recalls are hazardous?

RESPONSE: No. Vehicles containing safety defects pose an unreasonable risk to safety. All recalls should be addressed promptly.

d. Does NHTSA issue "do not drive" warnings? Is NHTSA involved in any way in an auto manufacturer's decision to issue a "do not drive" warning?

RESPONSE: NHTSA does not have the authority to order consumers not to drive their vehicles. In appropriate circumstances, NHTSA may require a manufacturer to advise consumers not to drive their vehicles until a safety-related defect or noncompliance is remedied.

e. Do you support requiring dealers to repair all recalls on used cars before they can be sold?

RESPONSE: Yes.

The Honorable Joseph P. Kennedy, III

1. I was pleased that the Raechel and Jacqueline Houck Safe Rental Car Act became law as part of the Fixing America's Surface Transportation (FAST) Act on December 4, 2015. However, the bill was weakened before its passage. Under the law, some dealerships will continue to be able to provide consumers with loaner cars that are as unsafe as the cars consumers are bringing in to the shop for repair.

a. Is it also your understanding of the FAST Act provision that some dealers will be able to provide consumers with loaner vehicles that are subject to an open recall? For example, can a consumer bringing her car in to a repair shop to have her faulty Takata airbag replaced be given a loaner car equipped with a faulty Takata airbag?

RESPONSE: Yes.

b. Do you support prohibiting dealers from being able to provide consumers with loaner cars that are subject to an open recall?

RESPONSE: Yes.

2. There have been reports of carbon monoxide poisoning in cases where drivers left their vehicles running in their garages by accident, after getting out of the car without pushing the ignition button to turn off the vehicle. While the car runs in the garage, the home fills with potentially deadly carbon monoxide. What is NHTSA doing to address this problem?

RESPONSE: NHTSA is evaluating regulatory options to mitigate the risk of carbon monoxide poisoning in vehicles with keyless ignition systems. In the meantime, NHTSA produced and released an informational video on safercar.gov and YouTube on February 1, 2016, to educate drivers about safe keyless ignition use and to draw attention to potential safety issues, including carbon monoxide poisoning.

3. Keyless ignition vehicles also have been linked to a roll-away hazard. In 2011, there were reports that keyless BMWs could roll away because the electronic ignition system did not shift the car into "park" when the driver left the vehicle with the keyless fob. What steps has NHTSA taken to address that risk?

RESPONSE: NHTSA initiated a formal investigation in August 2011 regarding these BMW models. In August 2012, BMW issued a recall of 45,500 BMW 7 series sedans in the 2005-2008 model years. Owners of the affected vehicles were notified by BMW. BMW remedied the issue with a software update which became available to the public in March 2013.

The Honorable G.K. Butterfield

1. My district suffered a terrible loss years ago when there was a horrible school bus crash in which all of the students on board were killed. Seat belts might have saved some of those lives. In 2012, during a Commerce, Manufacturing, and Trade Subcommittee hearing, I asked former NHTSA Administrator Strickland for the agency's position on seat belts on school buses. At that time, he told the Subcommittee that NHTSA did not support requiring school buses to be equipped with seat belts.

I was very glad to see that in November, you announced that NHTSA had changed its position.

a. Please explain what caused NHTSA to change its policy on this issue.

RESPONSE: Last year, NHTSA began working on a comprehensive approach to school transportation safety. School buses are by far the safest way for children to get to and from school. Each year, approximately 485,500 school buses transport 23 million children safely to and from school and related activities. The technology to add three-point seat belts to school buses has also advanced over the years. As a result, the timing was right to revisit the issue.

NHTSA convened an all-day meeting in 2015 with our school transportation partners to look at all the issues, such as whether three-point belts would reduce school bus seating capacity, training and policies needed to ensure that students use the belts, and additional costs required to purchase the belt systems. Schools that already use three-point belts provided input on costs and benefits based on their experience. The Agency spent several months reviewing and analyzing the options before making the November announcement. This is the first significant change in NHTSA's position on seat belts in large school buses in 40 years.

b. What will be the agency's next steps on this issue? Are you considering a rulemaking?

RESPONSE: NHTSA will use all the tools at our disposal to help achieve the goal of three-point seat belts in school buses. If the Agency determines that a rulemaking is the best path to enhance school transportation safety, we will take that path.

However, NHTSA is also looking at other approaches. NHTSA is working with representatives from six States that require seat belts on school buses to understand how best to start a nationwide movement. In March, the Agency hosted a meeting with the six States to discuss the barriers to implementing three-point belts on school buses and how to overcome these challenges. Finding the funds to pay for the belts will be a key hurdle. It will require innovative approaches and continued engagement with State and local school transportation officials, parents, safety advocates, and industry representatives to ensure that

school bus safety is enhanced without reducing school bus availability or ridership levels.

c. How long do you expect it to take to have a seat belt available for every child on every school bus?

RESPONSE: State and local jurisdictions make the decisions regarding the purchase of new school buses based on State and local funding considerations and regulations. Given that the cost of a new school bus can start at $75,000, school districts often aim for a 10 to 12 year replacement cycle. NHTSA plans to continue our efforts to encourage States and local school districts to install three-point seat belts on new school buses as well as identifying ways to reduce pedestrian fatalities related to school buses.

FRED UPTON, MICHIGAN
CHAIRMAN

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April 28, 2016

Mr. Mitch Bainwol
CEO
Alliance of Automobile Manufacturers
803 7th Street, N.W., Suite 300
Washington, DC 20001

Dear Mr. Bainwol,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Thursday, May 12, 2016. Your responses should be mailed to Giulia Giannangeli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to **Giulia.Giannangeli@mail.house.gov.**

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

AUTO ALLIANCE
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May 16, 2016

Questions for the Record
Mr. Mitch Bainwol on behalf of the Alliance of Automobile Manufacturers
April 14, 2016 Subcommittee on Commerce, Manufacturing, and Trade Hearing
entitled "NHTSA Oversight"

The Honorable Michael C. Burgess, M.D.

1. **As vehicles become increasingly connected and communicate with other vehicles and surrounding infrastructure, what role will encryption play in those communications to protect the security and integrity of those messages? Who would have access to the encryptions keys?**

As new vehicle technologies and services emerge, the goal of automakers is to continue enhancing benefits to customers while respecting their privacy. This is why in 2014, the members of the Auto Alliance and Global Automakers developed Consumer Privacy Principles (Privacy Principles). Automakers are among the first industries to develop Privacy Principles to address consumer concerns about what data we collect, how we use it, and when/why data is shared, and to whom. These Privacy Principles have a strong lineage, building on Fair Information Practice Principles, Federal Trade Commission (FTC) guidance, the White House Consumer Privacy Bill of Rights, and the guidance of privacy advocates.

The most sensitive types of consumer information relate to geolocation (where the vehicle goes), driver behavior (such as vehicle speed or use of safety belts) and biometrics (physical or biological characteristics that identify a person). For each of these categories, the Privacy Principles require clear and prominent notices about the collection of such information, the purposes for which it is collected, and the types of entities with which the information may be shared. The Privacy Principles commit automakers to sharing this data with law enforcement or government only if required by a legal warrant or court order. The Consumer Privacy Principles are available to the public at www.automotiveprivacy.com.

The Privacy Principles help to guide automakers to protect consumers' personal information, and are a floor from which automakers will continue to innovate. These are not the only activity involving technological advancements that play a role in the driving experience. For instance, vehicle-to-vehicle or vehicle-to-infrastructure technologies are based off of what is called Dedicated Short Range Communications (DSRC). These communications are one-way or two-way short-range to medium-range

wireless communication channels specifically designed for vehicles to communicate between each other and with infrastructure at a particular frequency. These communications occur every tenth of a second and are constantly changing. DSRC broadcast messages, like the Basic Safety Message, or intersection map and signal state messages, are not encrypted. There is, of course, a need to ensure privacy with DSRC technology, which is done in the design of the system. Along with the Basic Safety Messages, a certificate digitally signed by the off-board Security Credential Management System (SCMS) is added, so the receiver knows that the message came from a certified device, and the messages are signed with a private key stored in the vehicle in secure memory so that the receiver knows the message was unchanged from transmission. Technically, this is not encryption, but rather asymmetric cryptography. The information is not secret because a sender wants every other device close by to hear and use the information so that an accident can be avoided or traffic can be mitigated.

Privacy is achieved by not including any personally identifiable information in the transmissions, changing certificates frequently, and separating functions in the SCMS. Furthermore, DSRC communications are not stored in any location or within the vehicle. Data that is communicated is used for a brief time period by vehicles and infrastructure to provide short term information. Short term information may include a distance measurement used to determine time to a potential collision with another vehicle. The message is synthesized in the vehicle receiving it and a crash avoidance application may, in real time, send a driver a warning. After being sent, the sending vehicle erases that information and sends out new information 1/10 a second later. Similarly, after the information is received and, if needed, acted upon by the receiving vehicle, it too is erased. This information process continues to occur as the vehicle travels from one location to the other.

2. **I understand that the recall completion rate for GM vehicles affected by the ignition switch recalls currently stands around 80 percent. What is GM doing to ensure that the remaining 20 percent of car owners affected by the ignition switch recall are notified and encouraged to get their vehicles repaired? Is GM having trouble identifying or finding the proper home addresses for car owners affected by the ignition switch recalls? If so, how is GM working to reach those individuals?**

It is our understanding that GM's ignition switch recall repair rate now stands closer to 90 percent but the company would be more equipped to answer questions related to their efforts. As in all recall campaigns, Alliance members are using multiple methods to reach consumers of affected vehicles. These methods range from the federally required sending of first class mail letters directly to vehicle owners, to innovative approaches such as the use of social media to send out overall service notices. Additionally, OEMs update their web sites to include notices when a recall has taken place and always direct consumers to safercar.gov so that they may check if their vehicle is under a recall.

Last year, the Alliance and Global Automakers commissioned a first of its kind recall completion rate study to determine the factors that cause consumers to either fix their recalled vehicle or not. Additional information on that study can be found on our web site at www.autoalliance.org. And to further highlight our commitment to increasing recall participation rates, the Alliance and Global Automakers recently sent dozens of letters to key stakeholders in the motor vehicle and auto insurance sector to underscore additional ways they can help inform their customers of open recalls via their auto insurance policy or when they register their vehicle.

Finally, the FAST Act included Section 24105 which established a pilot program for up to six states to notify consumers of open vehicle recalls at the time of vehicle registration. The Alliance and its member companies support this pilot program as a way of augment existing notification requirement to evaluate the feasibility and effectiveness of a state process for ensure that every driver is notified of a recall and that the recall work is performed as soon as possible at an authorized service center at no expense to the vehicle owner. In fact, in a recent letter to House and Senate Appropriators, the Alliance and Global recommended that the FY 2017 THUD Appropriations bill contain funding to support the FAST Act's pilot program.

3. **Rigorous testing of autonomous vehicles is a critical part of certifying that these vehicles are ready for commercial use. Do we have the right regulatory framework in place to allow maximum research and testing of autonomous vehicles?**

The issues surrounding the research, development, production, and the ultimate safe operation of driving automation technology are highly complex and rapidly evolving, but the eventual benefits are broad and significant. Recognizing all the benefits to consumers, automakers are working to bring driving automation technology to market as soon as possible.

Facilitation of the deployment and adoption of Advanced Driver Assist Systems (ADAS) from active safety systems to eventually fully automated technology starts with a nationally-applicable legal and regulatory framework that avoids a patchwork of state laws and regulations. It maintains current self-certification practices as well as the enforcement power of NHTSA. Alliance members are committed to bringing ADAS technology to market while improving safety and continue to work with NHTSA as it establishes the regulatory framework for such technology.

   a. **How could Congress work with NHTSA and the auto industry to facilitate more testing and research of advanced automotive technologies?**

As was noted previously, the Alliance and its members support state efforts to improve and protect the safety of all road users but we are very concerned that a patchwork of potentially conflicting vehicle certification and performance regulations at the state level would be costly for consumers and stifle safety innovation.

A broadly adopted set of clearly defined levels of driving automation specified by SAE J3016 are extremely important because they provide a standardized framework for discussing and understanding technology capabilities, expectations, and driver roles across the spectrum of driving automation technology.

As NHTSA recently acknowledged in the Enforcement Guidance Bulletin for "Safety-Related Defects and Emerging Automotive Technologies," even without specific FMVSS requirements in place, broad enforcement authority to investigate, penalize, and potentially mandate recalls involving these new and emerging technologies is no different than its authority with respect to conventional motor vehicle components. Similarly, manufacturers have the same reporting and notification responsibilities with respect to any safety-related defects in these technologies.

4. **Please provide an update on the Auto-ISAC, including current membership, any plant to expand membership, how often the ISAC meets and any plans to develop cybersecurity best practices and when they will be developed. Please auto include how much information sharing is occurring between members of the Auto-ISAC and whether any vulnerabilities been uncovered that were not previously known to certain ISAC members through the information sharing process?**

The members of the Auto Alliance and Global Automakers were instrumental in establishing the ISAC over the past year. Since the ISAC's establishment and it becoming fully operational in January 2016 it is now a standalone organization. The questions you posed would be best answered by the ISAC Executive Director Jon Allen (Allen_Jonathan@bah.com); ISAC Chair Tom Stricker (tom.stricker@toyota.com), or the Vice Chair Jeff Massimilla (jeffrey.massimilla@gm.com).

The Honorable Gregg Harper

1. **The FAST Act requires manufacturers to include the name, description, and part number of components or components in its Part 573 report for defects or noncompliance, if a recall involves a defect in a specific component. Can you comment on how your member companies have been able to address the requirement of the passage of the Act?**

The Alliance and its member companies supported the inclusion of this provision into the FAST Act. Alliance member companies are complying with the law.

The Honorable John Sarbanes

1. **I was a cosponsor of the ROADS SAFE Act and worked with my colleagues in the House to make sure that the Driver Alcohol Detection System for Safety, or DADSS, program was authorized as part of both MAP-21 and the FAST Act. I know that you have also supported the DADSS program. This is an important project as it has the possibility of eliminating drunk driving in America and saving over 7,000 lives each year according to estimates from the Insurance Institute for Highway Safety. Can you provide an update on the current status of the project? What is being done to accelerate this technology?**

Thank you for your support of the Driver Alcohol Detection System for Safety (DADSS) a public–private research program, which brings together the National Highway Traffic Safety Administration (NHTSA) and the Automotive Coalition for Traffic Safety (ACTS), which represents the world's leading automakers.

All parties involved share your commitment to getting this lifesaving technology ready for deployment as quickly as possible, and every effort is being made to do so. The technology behind the alcohol detection system is a new invention – which means there are a number of steps that must be taken to ensure that the technology is rigorously tested and validated and ready for consumers. After significant research, we have demonstrated that the DADSS concept works – we can measure blood alcohol levels in drivers passively. The DADSS team has made great progress, reducing the size of the breath-based unit by 85% and the touch-based unit by 93% from the original prototype sizes. However, more work is needed before the system is feasible for production and practicable. The team must and is continuing to further reduce the size and cost of the units; improve their speed, accuracy and precision; and conduct real world tests for reliability and durability. As the research continues, the team is focused on making sure the technology meets the strict Performance Specifications set related to precision, accuracy and reliability.

As part of the ongoing research, the breath-based and touch-based prototypes will be integrated into vehicles for a series of field tests, which will allow engineers to observe driver behavior in natural settings and thoroughly test the systems in real-world scenarios. The first of these multi-vehicle field operational trials is targeted to begin early next year.

FRED UPTON, MICHIGAN
CHAIRMAN

FRANK PALLONE, JR., NEW JERSEY
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April 28, 2016

Mr. John Bozzella
CEO
Global Automakers
1050 K Street, N.W.; Suite 650
Washington, DC 20001

Dear Mr. Bozzella,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

May 13, 2016

Questions for the Record for Association of Global Automakers President & CEO, John Bozzella

The Honorable Michael C. Burgess, M.D.

1. **As vehicles become increasingly connected and communicate with other vehicles and surrounding infrastructure, what role will encryption play in those communications to protect the security and integrity of those messages? Who would have access to the encryption keys?**

Connected vehicle technology presents significant opportunities for increased safety, mobility, reduced fuel consumption, and greater transportation efficiency. As vehicle-to-vehicle and vehicle-to-infrastructure technology (collectively referred to as V2X) allows vehicles to communicate with other vehicles and the surrounding infrastructure, security certificates and encryption are critical to ensuring that messages can be trusted. We support the Department of Transportation's ongoing work with stakeholders to define the specific security requirements in a Security Credential Management System (SCMS) that would be used to issue, distribute, and revoke security certificates.

2. **Rigorous testing of autonomous vehicles is a critical part of certifying that these vehicles are ready for commercial use. Do we have the right regulatory framework in place to allow maximum research and testing of autonomous vehicles?**

Global Automakers agrees that rigorous testing of automated vehicle systems is critical to ensure that they may be safety deployed and that they provide drivers with the mobility benefits for which they are designed. At this time, we believe the current federal framework provides sufficient flexibility for testing, and we believe it is unnecessary to put in place prescriptive requirements with respect to the testing of automated vehicles and systems. Automakers are currently testing automated vehicles on the road in a number of states pursuant to the states' respective testing requirements, as well as in controlled test environments. This testing is providing automakers with tremendous knowledge concerning the operating capabilities of automated systems in a variety of driving environments. The auto industry would welcome federal action to support upgrading existing facilities or construction of new testing facilities that can support both National Highway Traffic Safety Administration (NHTSA) and industry automated vehicle research. In order to test and deploy automated vehicles, the industry will need a variety of different test environments that replicate real word driving conditions, covering a range of terrain, weather, and climate.

As the industry moves beyond the testing phase towards the manufacture, certification, and deployment of automated vehicles, we see an important role for the federal government in the establishment of a regulatory framework that is consistent throughout the United States and, where possible, harmonized with other countries. We think that NHTSA has taken a number of positive steps in the right direction. In January 2016, Secretary Foxx signaled that the Department of Transportation was taking proactive steps to provide federal leadership and

guidance in the development of a more consistent national policy on automated vehicles[1]. Among the initiatives announced were commitments to work with industry stakeholders to develop *guidance for the safe deployment and operation* of automated vehicles, and to work with the American Association of Motor Vehicle Administrators (AAMVA) and other state partners on the development of *model state policy*.

A principal goal of the agency—and of all of the stakeholders involved in the process—should be avoiding a patchwork of different federal and state standards for automated technologies. Despite NHTSA's important actions to date with respect to automated vehicles, many states have stepped into what they perceive to be a policy vacuum in the field. The result is that states such as California, Nevada, and Florida, have all enacted laws that will impact the way automakers design and manufacture automated vehicles. Each of these states has taken a slightly different approach to the issue, even using different definitions of what constitutes an automated vehicle. Federal policymakers have long recognized the public benefit of having Federal Motor Vehicle Safety Standards (FMVSS) that limit state action and allow manufacturers to design, produce and sell the same vehicles across 50 states. NHTSA's regulatory activities should reflect the respective roles of federal and state regulators in this space as well. To the extent that specific design and performance requirements are necessary and appropriate for automated vehicles, these should be established by NHTSA and applicable nationwide.

As technology continues to evolve, it is important that NHTSA work collaboratively with industry and other stakeholders in the development of a policy framework that balances the need for safety while ensuring that innovation can continue in the connected and automated vehicle space.

a. How should Congress work with NHTSA and the auto industry to facilitate more testing and research of advanced automotive technologies?

Congress should exercise its oversight authority to ensure that that federal agencies are working together to advance automotive technologies that can save lives and dramatically improve vehicle transportation. Regulatory clarity will facilitate the testing and research necessary to move these technologies to deployment. There are two critical near term opportunities for federal regulators and policymakers to provide certainty and support for innovation. First, Congress must ensure that the 5.9 GHz spectrum band is protected from harmful interference to support the rapid deployment of connected vehicles which have the potential to save thousands of lives on our highways. Second, Congress must work with federal agencies to provide federal leadership on automated vehicles and to avoid a patchwork of different state laws from stifling innovation.

3. Please provide an update on the Auto-ISAC, including current membership, any plans to expand membership, how often the ISAC meets, and any plans to develop cybersecurity best practices and when they will be developed. Please also include

[1] Secretary Foxx unveils President Obama's FY17 budget proposal of nearly $4 billion for automated vehicles and announces DOT initiatives to accelerate vehicle safety innovations - http://www.nhtsa.gov/About+NHTSA/Press+Releases/dot-initiatives-accelerating-vehicle-safety-innovations-01142016

how much information sharing is occurring between members of the Auto ISAC and whether any vulnerabilities been uncovered that were not previously known to certain ISAC members through the information sharing process?

The Auto-ISAC was incorporated on August 17, 2015, to analyze and share intelligence on cybersecurity threats and vulnerabilities between industry stakeholders. The organization reached initial operating capability (IOC) and shared the first industry intelligence report on December 20, 2015. The Auto-ISAC reached full operating capability (FOC) on January 20, 2016, following the launch of the secure information sharing portal. The Auto ISAC has briefed Global Automakers on its recent developments. According to Auto ISAC staff, since IOC, the Auto ISAC has reported and shared vulnerabilities that have been identified by both Auto-ISAC members and other cyber intelligence sources. Current members of the Auto-ISAC include BMW, FCA, Ford Motor Co., General Motors, Daimler, American Honda Motor Co., Hyundai, Kia, Mazda, Mitsubishi, Nissan, Subaru, Toyota, and Volkswagen. In addition to OEM members, the first automotive supplier member, Delphi, joined the Auto-ISAC in April and additional large supplier members are anticipated soon. Staff from the Auto-ISAC would be best able to provide additional information about its activities.

In addition to industry taking proactive steps to develop information sharing capabilities, on January 19, 2016, Global Automakers and the Alliance of Automobile Manufacturers ("Alliance") released a Framework for Automotive Cybersecurity Best Practices to serve as the foundation for the development of voluntary industry-wide automotive cybersecurity best practices. Working collaboratively with the Auto-ISAC, Global Automakers and Alliance members have made significant progress toward this objective, and we expect to complete the development of initial best practices in the near future. As the cybersecurity landscape continues to evolve there are significant challenges for policymakers in developing regulations or guidance that reflect the current state of technology. While neither the Framework, nor the Best Practices, is intended to replace applicable laws and regulations where they already exist, we believe this type of industry-led approach is necessary to ensure greater flexibility in responding to changes in technology.

The Honorable Gregg Harper

1. **The FAST Act requires manufacturers to include the name, description, and part number of components or components in its Part 573 report for defects or noncompliance, if a recall involves a defect in a specific component. Can you comment on how your member companies have been able to address the requirements of the passage of the Act?**

In accordance with the FAST Act, Global Automakers members will provide the component information required by the Part 573 report.

FRED UPTON, MICHIGAN
CHAIRMAN

FRANK PALLONE, JR., NEW JERSEY
RANKING MEMBER

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April 28, 2016

Mr. Michael Wilson
CEO
Automotive Recyclers Association
9113 Church Street
Manassas, VA 20110

Dear Mr. Wilson,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

Additional Questions for the Record

To Michael Wilson for April 14, 2016 Hearing entitled "NHTSA Oversight"

The Honorable Michael C. Burgess, MD

1. The FAST Act requires manufacturers to include the name, description, and part numbers of components or components in its Part 573 report for defects or noncompliance, if a recall involves a defect in a specific component. Can you tell us what the automotive recycler industry's experience has been with this issue since the passage of the Act? What more needs to be done to ensure that recycled parts under recall are quickly taken off of the market?

Since passage of the FAST Act, the Automotive Recyclers Association (ARA) has offered its assistance in writing to the NHTSA Administrator. The Administrator has responded and said that NHTSA staff would be working on this issue. ARA has on several occasions asked NHTSA to convene a summit of automaker safety executives, consumer groups, NHTSA recall experts and the automotive recycler industry stakeholders to address this issue - modeled after other private/public meetings organized by the Administration. ARA has also made a verbal inquiry to a member of the Office of Defects Investigation (ODI) as to the status of implementation. The response was that "groups were being put together" [at NHTSA]. In addition, ARA has offered its technical knowledge and that of the industry inventory management system (IMS) providers to Representative Adam Kinzinger's staff, who has made numerous requests for a joint industry/Congressional/NHTSA meeting on implementation. This has not yet been facilitated. We have no knowledge beyond that of the status of NHTSA efforts toward implementation of this new rule.

To ensure that recycled parts under safety recall are quickly taken off the market, ARA's testimony focused on three major factors that must be considered and incorporated into implementation of this provision:

1. Each vehicle under safety recall needs to be clearly identified by automakers and NHTSA by its unique Vehicle Identification Number (VIN). NHTSA needs to understand prior to implementation the distinction between "specific VINs" versus "VIN ranges". Automotive recycling industry IMS providers do not have the ability to develop automated software if only VIN ranges are provided.

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Some automakers have stated that they can only provide VIN ranges because specific VINs are protected personal information. However, VINs are intended to be widely available to both government and private entities for tracking and recall reasons. There is statutory requirement to have VINs be visible to the public, therefore no reasonable expectation of privacy exists and VINs are not considered confidential or private information for most purposes. Insurance companies, as "financial institutions" are subject to a particular FTC Privacy Rule that may limit disclosure of even non-private information gained in the course of issuing financial services, but this rule does not apply where a non-financial institution, such as ARA or an industry inventory management system, is receiving VINs from another non-financial institution, such as an auto manufacturer or NHTSA.

2. Given that automobile manufacturers already submit quarterly recall reports electronically to NHTSA, ARA believes that the process may only involve a modest technical correction to provide IMS stakeholders timely access to data fields within these reports, which in turn would allow these parties to cross-check that information with the inventories of professional automotive recyclers. Providing these reports in a portable document format (pdf) or other non-integratable format requiring inventory management systems to manually read each file or data field is unacceptable and unworkable.

3. It is important that NHTSA adequately address the scope of data that is required by this provision. To effectively address requirements under the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act of 2000 as well as new requirements contained in the FAST Act that requires automobile manufacturers to remedy their recall defects going back 15 years, automobile manufacturers must be required to provide this recalled parts data back to November 2000 to cover the 10,252 recall campaigns over this time period.

In today's world of continuous recalls, defective parts must be effectively addressed to enhance vehicle safety. NHTSA and automakers must fully acknowledge that the recycled original equipment manufacturer (OEM) parts industry is due the same consideration for remedy under the Safety Act as is given to franchise automotive dealerships with new vehicles and owners of used motor vehicles. For far too long, automakers have been allowed to ignore their statutory obligations to address the defective parts that exist in the millions of vehicles that are harvested for parts by professional automotive recyclers annually. Until automakers fulfill their requirements to automotive recyclers like they do dealers, such as providing equitable financial buy-back programs for defective recalled parts, then NHTSA will fall far short of their 100 percent remedy goal and the safety of our nation's drivers will continue to be compromised.

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Automobile manufacturers are well aware of their obligations to proactively address their defective recalled parts in the automotive recycling industry. However, ARA is aware of only one such outreach in 2014 and one in 2015. In August 2014, General Motors contracted with a third-party supplier to "coordinate the purchase and return of certain used parts, which are subject to a product safety ignition switch recall, from salvage yards." In 2015 American Honda made a specific outreach on defective Takata airbags to the professional automotive recycling industry. Unfortunately, Honda is dictating the terms and conditions of the buy-back program. As currently structured, in order to participate, automotive recyclers are required to upload sensitive and proprietary business information -- every motor vehicle VIN in their inventory -- to a contractor retained by American Honda. However, American Honda should immediately provide the specific VINs and specific part numbers of all defective Takata airbags.

These two recall remedy program initiatives within the automotive recycling industry were out of the 803 recall campaigns issued by auto manufacturers in 2014 and 973 in 2015 that were initiated. Automakers must initiate robust and comprehensive buy-back programs for the over 10,200 recall campaigns over the past fifteen years. It is reckless to allow automakers to profit from their tsunami of recalls by allowing them to withhold important safety data electronically. ARA urges Congress or NHTSA under its Safety Act authority to require automakers to initiate defective part buy-back programs within the professional automotive recycling industry.

2. There is a possibility that some of the defective Takata airbags may inadvertently be in salvage yard inventories across the country. What is your industry doing to make sure those defective airbags don't make their way into the hands of consumers?

a. Are you working with NHTSA or any automakers to address this problem?

ARA has approached numerous automakers and their two trade associations (Alliance of Automobile Manufacturers and Global Automakers) to discuss this critical issue. The responses have varied and some have made suggestions to continue discussing the issue however there has been little follow-up outreach. Likewise, while ARA has met with NHTSA Administrators and senior staff in the past, no further interaction has taken place. ARA stands ready to work with any and all stakeholders.

b. How do automotive recyclers ensure the safety and reliability of a recycled part or component before it is marketed or sold to a consumer?

Professional automotive recycling facilities follow industry established best management practices and methodologies to provide quality OEM recycled parts to

consumers. There are at a minimum, three separate evaluations of any OEM recycled part before it is sold.

These facilities maintain multi-step inspection and quality control systems to ensure that the recycled parts and assemblies provided meet appropriate grade and condition requirements. These systems include, among other things, i) pre-purchase inspection of the salvage vehicle; ii) further inspection of the vehicle, damage, and point of impact analysis of the vehicle at the recycling facility before disassembly; iii) further inspection and grading of the condition of the part or assembly after disassembly has occurred at the facility; and iv) further inspection before delivery to customers to meet their specific order requirements.

Professional automotive recyclers acquire motor vehicles from various sources, including salvage auctions, dealers and direct purchases from insurers and vehicle owners. After the vehicles are acquired, professional automotive recyclers make a careful assessment of the vehicle to determine which parts and assemblies will be removed from the vehicle for disassembly and which parts will be scrapped. Established methodologies for vehicle evaluation and inventory analysis can include processes such as:

- Imaging the vehicle and its component parts and track to the vehicle part record
- Reviewing the vehicle's build codes (if available)
- Imaging the build codes and capture build date (if available)
- Decoding vehicle line and drive train configuration
- Identifying assemblies and parts
- Verifying interior colors and maintain conditions and option lines (seats, dashboard, door parts)
- Verifying condition of core support, bumper reinforcement, head light mounting panel and frame rails
- Assigning condition codes, assess extent and type of any damage, and identify the primary damage field
- Starting vehicle and test mechanical and electrical parts *(e.g.,* fuel pump, alternator, transmission, power windows, mirrors, power seats, power antennae, AC compressor system)
- Logging on the individual part record that the part has been tested
- Engine-oil and compression testing to learn if mileage exceeds certain mileage

Data is recorded in respect to both the vehicle and disassembled parts and assemblies, and part tags with bar codes are assigned to each disassembled part/assembly.

In 1997, ARA established its Gold Seal Certification Program that defines standards for recycled parts quality assurance, customer service, parts descriptions and other facets of quality control. This program continues to grow and is recognized by the Automotive Service Association and other industry partners.

c. How are recyclers monitoring counterfeit automotive parts in the marketplace and ensuring that they are not being sold to consumers?

ARA has a long history of speaking out against counterfeit automotive parts and warning the automotive repair industry community and consumers about the dangers such parts pose and their increasing prevalence. ARA urges customers to utilize quality, recycled original equipment manufacturer (OEM) parts supplied by professional automotive recyclers because it is the professional automotive recycling operations that have robust product assurance and quality control procedures in place to help identify parts that do not meet industry accepted standards.

Most professional automotive recycling facilities employ multi-step quality control precautions that help to identify counterfeit parts. The industry employs sophisticated methods to process, inspect, evaluate and analyze OEM parts harvested from vehicles. For example, at a typical professional automotive recycling facility, these processes may include a review of the vehicle's build codes (if available), capturing images of the vehicle and its component parts to track the vehicle part record, verification of interior colors, conditions and option lines (seats, dash board, door parts) and checking the vehicle identification number. As a result of these quality control processes, parts found to be of a substandard condition grade, rusted, non-repairable or otherwise suspect, such as possible counterfeit parts, are not listed as available on estimates or sold to customers.

ARA is working on many fronts to ensure that counterfeit parts are not being sold. At the state level, ARA has supported legislation making it a crime to knowingly manufacture, import, install, reinstall or sell a counterfeit or nonfunctional airbag. In addition to meeting with NHTSA staff about this issue, at the government's request, ARA also met with senior policy staff from the Administration responsible for coordinating the federal government's efforts on intellectual property (IP) enforcement issues to discuss the issue of counterfeit airbags.

Preventing the spread of counterfeit automotive parts and targeting criminals who engage in that type of activity also is a priority for the National Intellectual Property Rights Coordination Center (IPR Center) which is a joint task-force agency led by Homeland Security Investigations, a component of the Immigration and Customs Enforcement (ICE) agency. According to the IPR Director, the use of illegal counterfeit automotive parts is increasing in the U.S and automakers and automotive recyclers both can and need to help with this problem. The Director further stated that "automotive recyclers know their business and can recognize when a part seems out of place, or doesn't seem right." In addition, he suggested that consumers should only "do business with reputable repair shops, the manufacturer's dealership repair network, or legitimate automotive recyclers selling used OEM parts." ARA is working with many different sectors to help reduce the incidence of counterfeit automotive parts in the replacement parts marketplace.

The Honorable Gregg Harper

3. The FAST Act requires manufacturers to include the name, description, and part numbers of components or components in its Part 573 report for defects or noncompliance, if a recall involves a defect in a specific component. Can you tell us what the automotive recycler industry's experience has been with this issue since the passage of the Act? What more needs to be done to ensure that recycled parts under recall are quickly taken off of the market?

The question is identical to the first question by Chairman Burgess so please refer to the answer above.

The Honorable John Sarbanes

1. I was a cosponsor of the ROADS Safe Act and worked with my colleagues in the House to make sure that the Driver Alcohol Detection System for Safety, or DADSS, program, was authorized as part of both MAP-21 and the FAST Act. I know that you are also a strong supporter of the DADSS program.

2. This is an important project as it has the possibility of eliminating drunk driving in America and saving over 7,000 lives each year according to estimates from the Insurance Institute for Highway Safety. Can you provide an update on the current status of the project? What is being done to accelerate this technology?

While the DADSS program sounds like a vital and effective program to eliminating drunk driving in the U.S., ARA has never dealt with this program and thinks that the question may have been meant for one of the automaker associations who may have worked on this project.

The Honorable G.K. Butterfield

1. Particularly once a car is out of warranty, many drivers have their cars repaired by independent repair shops - many of which use recycled parts.

a. Recycled parts are often far less expensive than the corresponding brand new part sold by a dealer. Does that have an effect on the overall market for automotive parts?

The automotive parts supply chain includes many options for consumers. These options, which can save hundreds if not thousands of dollars for a car owner, include OEM parts which professional automotive recyclers harvest from total loss or end-of-life vehicles, remanufactured parts and aftermarket new parts. Without these options a consumer would be limited to only the automotive dealership and new OEM part prices.

Having the recycled OEM products available provides a counter-weight to make sure that those new parts prices are in balance and have competition in the marketplace.

b. Are recycled parts meaningfully different from the corresponding new parts?

OEM parts are essentially the exact part that the auto manufacturer put on the car in the assembly line. Professional automotive recyclers sell these quality, recycled OE parts that are designed by auto manufacturers and built to meet their requirements for fit, finish, durability, reliability and safety. These parts continue to operate as they were originally intended in terms of form, function, performance and safety.

2. In your testimony, you noted that auto manufacturers frequently change original equipment (OE) replacement part numbers. Please expand on the relationship between OE replacement part numbers and VIN numbers, and why it is so important to recyclers to have access to real-time updates on OE number parts.

The VIN is a unique vehicle identification number that includes codes to where the vehicle was made as well as every option that was put on that particular vehicle on the production line. The last 6 digits of the VIN are called the **RPO (Regular Production Option) codes** which define the specific configuration of a new vehicle and detail exactly what was built into that vehicle on the production line.

Even a vehicle without option equipment will have RPOs that specify important information such as the engine type and exterior paint color. An example of the breakdown of a VIN is below.

VEHICLE IDENTIFICATION NUMBERS: AN IN-DEPTH EXPLANATION

A VEHICLE IDENTIFICATION NUMBER, COMMONLY ABBREVIATED TO VIN, IS A UNIQUE SERIAL NUMBER USED BY THE AUTOMOTIVE INDUSTRY TO IDENTIFY INDIVIDUAL MOTOR VEHICLES. VINS WERE FIRST INTRODUCED IN 1954, AND FOR 27 YEARS, THERE WAS NO ACCEPTED STANDARD FOR THESE NUMBERS, RESULTING IN EACH MANUFACTURER USING A DIFFERENT VIN FORMAT. IN 1981, THE U.S. NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION STANDARDIZED THE FORMAT, REQUIRING ALL OVER-THE-ROAD VEHICLES SOLD TO CONTAIN A 17-CHARACTER VIN.

VIN Digits	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	MANUFACTURER The first three characters uniquely identify the manufacturer of the vehicle using the World Manufacturer Identifier (WMI) code.				**VEHICLE ATTRIBUTES** The fourth through eighth positions in the VIN are the Vehicle Descriptor Section (VDS). This is used according to local regulations to identify the vehicle type, and may include information on the automobile platform used, the model and the body style.				**CHECK DIGIT** The ninth digit is a VIN accuracy check digit, verifying the previous VIN characters.	**MODEL YEAR**	**PLANT CODE** The eleventh digit reveals the assembly plant for the vehicle.	**SEQUENTIAL NUMBER** The twelfth to seventeenth positions represent the Vehicle Identifier Section, or VIS. These digits may signify the options installed or engine and transmission choices. In North America, the last five digits must be numeric.					
EXAMPLES	**WDB** Mercedes-Benz)				**WKS4F** SLK280 Model				**5** is the check digit	**6** Year 2006	**F** Bremen Germany	**077435** Standard edition/trim, 6 cylinder, gas 3.0, 7 speed automatic, comfort package, heating package, automatic dimming mirror, driver seat memory, dual power seats, heated front seats, power tilt steering wheel, metallic paint, and all standard options.					
	TRADITIONAL VIN DECODE										These identifying digits are used in combination with the first 11 digits of a VIN to map to RPO codes within the manufacturer's database and uncover detailed options information.						

Source: Directions Magazine (November 2012)

A complex automotive part or component can use, for example, several different coil springs each of which looks similar but each of which is slightly different. When one of these springs fail or otherwise needs replacing, the customer can order a replacement spring by simply asking for the part by the unique part number and be confident that they will be shipped the correct part. It's a good system for identifying parts – so good in fact that virtually every manufacturer uses this method to identify parts in a product.

Some manufacturers have taken the position that part numbers are proprietary[i], either as trademarks or trade secrets, thus they cannot be shared with the automotive recycling industry. Yet this information is shared with others in the collision repair industry, undermining any argument that part numbers are in any form intellectual property. Furthermore while it is theoretically possible for a part number to be a trade secret, and likewise theoretically possible for a part number to be trademarked, it is legally impossible for a part number to be both a trade secret and a trademark simultaneously.

It is no secret that auto manufacturers have placed major restrictions on the dissemination of OEM part numbers and build sheet data so that this information cannot be integrated into professional automotive recyclers' inventory management systems. Without this important parts data, recyclers are not able to seamlessly integrate their OEM parts inventory into estimating and collision repair platforms. Delays in updating parts inventories often means that consumers have fewer choices when making important decisions about the service and repair of their vehicles.

ARA's position is that the industry must be provided with safety information that can be automatically synchronized with recycled parts inventory so that important recall and service bulletin information is seamlessly integrated into the inventory management systems utilized by the automotive recycling industry.

3. In your testimony, you referenced information posted to NHTSA's website, safercar.gov.

a. How do automotive parts recyclers use safercar.gov?

All owners of vehicles are requested to use safercar.gov to determine if the car in question has a safety recall. The owners of end-of-life vehicles know this information as well and professional automotive recyclers are the owners of hundreds if not thousands of these vehicles.

While NHTSA's www.safercar.gov is a necessary first step and a good solution for the individual consumer, many automotive recyclers are frustrated with its functionality. The website is currently designed for only single VIN lookups and security mechanisms built into every single VIN search slow down its usefulness. For many businesses, going to individual automotive manufacturer websites is quicker than www.safercar.gov. Bulk VIN upload capability on safercar.gov would help professional automotive recyclers

immensely and would be a much more efficient process for automotive recyclers than typing in individual 17-digit VINs for the hundreds of vehicles in inventory.

b. When a vehicle has been subject to a recall and subsequently had that repair completed, does safercar.gov provide that information?

ARA has found that safercar.gov does not provide any information when a vehicle has been repaired. The file appears blank.

In addition, some of ARA's members have found errors in the government's database. One recycler found that 2 out of 3 of his personal vehicles that he knew had recalls did not show up as having been recalled according to the information on safercars.gov.

c. Please explain why that information is useful to automotive parts recyclers.

The average age of vehicles on America's roads is now estimated to be 11.5 years old. In many cases an end-of-life vehicle has had more than one owner. The safercar.gov website has no record that the recalled component has in fact been repaired - it is only an assumption when viewing a blank record.

d. Are there other changes to safecar.gov that you would recommend to ensure that your members do not stock recalled parts?

As answered in the response to Chairman Burgess, there are many limitations to safercar.gov. ARA maintains that no new government database needs to be developed because auto manufacturers are already required under 49 CFR Section 573.8 to maintain publicly available lists of specific VINs of the vehicles involved in a recall. ARA believe that a modest technical correction to provide recyclers' inventory management systems with timely access to these data fields.

4. Currently, when a recall is issued, is the defect information that is provided in the recall notice sufficiently specific? What information do automotive parts recyclers need when a recall is issued?

No, the current defect information is not at all sufficient. Automakers prepare 573.6 recall reports required by NHTSA. While there are many fields where data needs to be entered addressing the recall, the information is descriptive at best and does not come even close to specifying the exact defective part. (A copy of a random 573.6 report is attached.) Automotive recyclers need specific component names and part numbers tied to a specific VIN to be able to efficiently identify the defective part.

[1] Trademark and Trade Secret Rights in OEM Part Numbers, Borges Law Firm, Toronto, Ontario.

FRED UPTON, MICHIGAN
CHAIRMAN

FRANK PALLONE, JR., NEW JERSEY
RANKING MEMBER

ONE HUNDRED FOURTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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April 28, 2016

Mrs. Jackie Gillan
President
Advocates for Highway and Auto Safety
750 First Street, N.E.; Suite 1130
Washington, DC 20002

Dear Mrs. Gillan,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Thursday, May 12, 2016. Your responses should be mailed to Giulia Giannangeli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to **Giulia.Giannangeli@mail.house.gov.**

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

May 12, 2016

The Honorable Michael C. Burgess, M.D.
Chairman
Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing and Trade
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Burgess:

Thank you for the opportunity to testify before the Subcommittee on Commerce, Manufacturing and Trade regarding oversight of the National Highway Traffic Safety Administration (NHTSA) on April 14, 2016. Below, please find my answers to the additional questions for the record.

The Honorable Michael C. Burgess, M.D.
In your testimony you state that the defective airbags are still killing drivers long after they should have been removed and replaced. How can we ensure that all defective airbags are, in fact, being replaced? And how can we ensure that they are not being replaced with airbags that may also be defective?

There are several remedies available to address the public safety crisis created by the defective air bags manufactured by Takata that have resulted in millions of vehicle recalls and have caused at least 10 deaths and 100 injuries.[1]

First, the agency has yet to identify every vehicle that contains these dangerous devices. This seemingly never-ending nightmare will not be resolved until the agency recalls every vehicle that contains a deadly Takata airbag and they are replaced with airbags that have been proven to be safe. NHTSA must order the vehicle manufacturers and dealers to locate each and every vehicle equipped with a potentially defective Takata airbag and to personally contact the owner, by telephone, email or in person to ensure that information regarding the serious nature of the safety defect has been communicated directly to the vehicle owner. Moreover, vehicle manufacturers and dealers should be obligated to provide, free of charge, loaner/rental vehicles to owners who do not want to use the vehicle with the defective Takata airbag while awaiting the airbag replacement remedy. While this procedure goes beyond the usual contact requirements of the Motor Vehicle Safety Act, the danger posed by the defective Takata airbags are so grievous that an extraordinary effort by the auto industry is necessary to ensure that all vehicle owners are made personally aware of the danger presented and the options to obtain a remedy. Used vehicles that contain these airbags should not be permitted to be sold to consumers before being remedied. Under federal law, new vehicles subject to a recall may not be sold to consumers. Moreover, the FAST Act prohibits automobile dealers from renting any vehicles that are subject to a safety recall until they are fixed.[2] However, there is no such restriction on the sale of "used" vehicles even when they have the exact same defects such as malfunctioning airbags. The problem of selling these dangerous used cars is

widespread. According to CarFax, the company that provides vehicle history reports to the public, 5 million vehicles with an open recall were bought and sold by consumers in 2014. Congress needs to close the loophole that allows auto dealers to sell used vehicles to consumers that have unrepaired recalls.

Second, NHTSA must be given the authority to take immediate action when the agency determines that a defect involves a condition that substantially increases the likelihood of serious injury or death if not remedied immediately. This "imminent hazard" power is needed to protect the public, by allowing the agency to take immediate action to direct manufacturers to ground, recall and immediately notify consumers a defect and remedy without delay. In this case, such authority may have allowed the Department of Transportation to move more quickly to address the problems with the defective Takata airbags. Sadly, far too many Americans have been killed by a defect in their vehicle they did not know existed. As serious motor vehicle recalls continue to come to light, this critical reform will, in the future, give NHTSA a powerful tool to expedite remediating the danger posed by defective motor vehicles.

Third, by entering into voluntary agreements with manufacturers to recall defective vehicles instead of issuing official recalls enforced by a federal court, NHTSA is encouraging manufacturers to slow-walk recalls with deadly consequences as demonstrated by the ongoing fiasco involving Takata airbags. On March 24, 2016, BMW informed NHTSA that it will be unable to meet its March 31 deadline to acquire a sufficient supply of remedy parts for a Takata inflator under recall. The alternate inflator that BMW's supplier had developed failed during recent testing. NHTSA has now given BMW until August 31, 2016, to replace the defective air bags.[3] Also, on February 12, 2016, BMW, Daimler Vans, Ford, Honda, Mazda, Mercedes-Benz and Volkswagen expanded their Takata recalls to include vehicles equipped with driver-side air bag inflators that Takata has declared defective.[4]

At this time, we do not have confidence nor adequate assurance from NHTSA that Takata replacement airbags manufactured are completely safe and free of similar defects. In order for NHTSA to ensure that the replacement airbags are safe the agency must require that the devices contain a chemical that is not susceptible to environmental conditions, such as humidity, that could degrade the active ingredients in the airbag module. In addition, because of the Takata airbag fiasco, federal motor vehicle safety regulations must include testing of equipment under a wide range of environmental and other operating conditions foreseeable in the life cycle of a vehicle to ensure that failures related to these aspects do not place the public at unnecessary and unreasonable risk. In the context of the current, ongoing recall, this means that the NHTSA should order special, additional life-cycle testing of the design and chemical formula used in the replacement airbags to ensure those airbags are free of any safety defect. Unfortunately, NHTSA is allowing Takata to fill existing contracts to supply airbags to manufactures with the same defective design until December of 2018. That decision by NHTSA will also potentially result in many of these vehicles at some future date being recalled for replacements.

Ms. Gillan, you state that NHTSA has failed to adequately protect a child in a rear seat when the front seatback falls or collapses in a crash. What can the industry and NHTSA do to remedy this?

NHTSA and the industry can adopt safer occupant protection requirements for seatbacks that will prevent many of the seatback failures experienced in the existing passenger vehicle fleet.

According to the Center for Auto Safety (CAS), since 1990, nearly 900 children seated behind a front-seat occupant or in a center rear seat died in rear impacts of 1990 and later model-year cars.[5] Yet, the safety standard for seatback performance has not been upgraded since it was first adopted in 1967 – nearly 50 years ago. Regulatory compliance rear impact crash tests for fuel system integrity conducted by NHTSA to upgrade Federal Motor Vehicle Safety Standard (FMVSS) 301 in 2003 revealed that almost every seatback fails, allowing a front seat occupant to be propelled into the rear seating area. Seat belt systems that are effective in frontal crashes are not designed to keep front seat occupants from slipping out of the belt system when the seatback collapses, leading to an increase in the risk of injury to the front seat occupant, including paraplegia or quadriplegia.

The Children's Hospital of Philadelphia (CHOP) has determined that collapsing seatbacks are a serious threat to children seated behind adult occupants in the front seats. Many children were found to have been injured in crashes in which seatbacks collapse or there is excessive seat deformation. The failure of a seatback directly in front of a child places the child at risk, and when there is an occupant in the seat that fails there is double risk of injury to the child.[6] NHTSA noted in a 1997 study that an examination of the interaction between front seatback failures and injuries to rear seat occupants may be important to assess the entirety of the occupant protection implications of seatback failure.[7] Additionally, NHTSA has stated that the weight of a passenger when added to the weight of the seatback itself will, even in a low severity crash, produce forces exceeding the level required by FMVSS 207.[8] Nonetheless, the agency has not yet taken any regulatory actions to upgrade an outdated standard they have known for decades is both ineffective and potentially lethal.

Advocates supports the attached petition filed with NHTSA by CAS in March of 2016 asking that the agency modify its child seating recommendations to warn parents of the dangers associated with setback failures.[9] The CAS petition contains a timeline that details NHTSA's inaction on this critical safety issue.[10] In fact, as noted in the timeline, NHTSA accepted a petition filed by researcher Alan Cantor 1989 to upgrade the safety standard for seatback performance but failed to take any further action.[11] In 2015, Mr. Cantor again filed a petition requesting that the agency upgrade its strength requirements for front-seat seatbacks.[12] NHTSA cannot ignore this problem any longer and must upgrade the performance of vehicle seatbacks, including head restraints, to increase the protection of children and adults in passenger motor vehicle crashes.

Thank you for the opportunity to answer these additional questions for the record. Please let me know if you have any further questions or require any additional information.

Sincerely,

Jacqueline Gillan
President

[1] Associated Press, *Honda reports 10th U.S. death from Takata air bags*, Apr. 6, 2016.
[2] 49. U.S.C. Section 30120(i).

[3] http://www.safercar.gov/rs/takata/takata-timeline.html
[4] *Id.*
[5] Center for Auto Safety (CAS), *PETITION* (Mar. 9, 2016).
[6] Jermakian, J.S., Arbogast, K. B., Durbin, D.R. and Kallan, M.J. Injury Risk for Children in Rear Impacts: Role of the Front Seat Occupant, Ann. Adv. Automot. Med., 52:109-16 (Oct., 2008).
[7] Preliminary Assessment of NASS CDS Data Related to Rearward Seat Collapse and Occupant Injury; U.S. DOT, NHTSA (May, 1997).
[8] Performance of Seating Systems in a FMVSS No. 301 Rear Impact Crash Test, ESV Paper No. 18-00248, U.S. DOT, NHTSA.
[9] Center for Auto Safety (CAS), *PETITION* (Mar. 9, 2016).
[10] *Id.*
[11] *Id.*
[12] *Id.*

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April 28, 2016

Mrs. Ann Wilson
Senior Vice President
Motor and Equipment Manufacturers Association
1030 15th Street, N.W.; Suite 500 East
Washington, DC 20005

Dear Mrs. Wilson,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Thursday, April 14, 2016, to testify at the hearing entitled "NHTSA Oversight."

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Michael C. Burgess, M.D.
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

Motor & Equipment Manufacturers Association
1030 15th Street, NW Suite 500 East Washington, DC 20005
Tel 202.393.6362 Fax 202.737.3742 E-mail info@mema.org

www.mema.org

May 12, 2016

House of Representatives
Committee on Energy & Commerce
Subcommittee on Commerce, Manufacturing, and Trade
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

ATTN: Giulia Giannangeli

Re: Additional Questions for the Record, April 14, 2016 hearing entitled "NHTSA Oversight"

Please find attached the responses to the questions for the Motor & Equipment Manufacturers Association (MEMA) from The Honorable Michael C. Burgess, M.D.

1. **How are suppliers working with the auto companies to ensure cybersecurity of their components during the development process and after those components are integrated into the vehicle?**

A vehicle is a complex system of some 8,000 parts that is expected to perform safely in a wide variety of environments, under various levels of stress and for tens of thousands of miles. Vehicle components and systems are highly integrated and must work in unison under various performance conditions. The process to develop and manufacture products and bring them to market is equally complex and meticulously aligned. Suppliers dedicate significant resources towards research and development of their products and then follow a complex system of checking, testing, and validation in the production of their products.

Vehicle suppliers are dedicated to vehicle safety in the design and manufacture of cutting edge, innovative components and systems and work closely with vehicle manufacturers to provide these products for new vehicles.

Cybersecurity is extremely critical to vehicle safety – particularly in the development of Advanced Driver Assistance Safety (ADAS) Systems and Automated Vehicle (AV) Systems. MEMA and our members share the concerns from various industry stakeholders and government officials about cybersecurity vulnerabilities. It has been suggested in other forums that policymakers look at a functional safety – an approach utilized in the vehicle industry – which addresses processes to identify and assess hazards, to develop solutions to mitigate or eliminate hazards, and then to verify and validate the solutions.

MEMA and our members share the concerns about cybersecurity vulnerabilities in software that could connect to a vehicle's critical safety systems. From a practical standpoint, vehicle manufacturers (OEMs) have the most comprehensive understanding of how suppliers' products

are integrated into and interact with the vehicles' frameworks, mapping and security features. Therefore, OEMs are in the best position to address how a certain vulnerability would interact with the vehicle.

Under the Auto ISAC, participating suppliers have the ability to collaborate and share information with automakers about emerging cyber threats to motor vehicles, effective responses to cyber-attacks, and measures designed to prevent future cyber-attacks.

Finally, it is critical that the 5.9GHz band of the spectrum, currently reserved for vehicle communications, not be made available to other industry sectors unless and until it can be determined that spectrum "sharing" can be realized without creating additional cyber vulnerabilities.

2. How should NHTSA ensure that NCAP is adaptable and malleable to accommodate future technologies and potential upgrades?

a. Do you think NHTSA is conducting enough stakeholder collaboration, such as public workshops, that provide opportunities to address all the complexities of an upgrade to the NCAP?

Due to the scale, scope and technical complexity of the NCAP upgrades,[1] MEMA strongly recommended in our comments to NHTSA that the agency offer additional opportunities for public input beyond the February 16, 2016 deadline to comment. As an example, MEMA asked NHTSA to schedule a series of technical workshops (or similar public forum) to provide a transparent venue in which stakeholders can interact with NHTSA staff in a collaborative, productive way.

Several of the crash avoidance and mitigation technologies and the test procedures related to them in the proposed NCAP are already familiar to the suppliers that manufacture components and systems in the various categories. Even still, there are a number of details and technical considerations, particularly for those tests that are new or are not finished. Thus, having a workshop series would be an excellent way for the agency to address these in a public and transparent way so that all parties can have more common understanding.

Collaboration between the government, vehicle manufacturers (OEMs), suppliers, safety advocates and other stakeholders is key to the success of such a significant evolution in the Program. Since NCAP is a voluntary program and not a rulemaking, engaging in an open dialogue with all interested stakeholders beyond the conclusion of the comment period should not be an issue for the agency.

Furthermore, at the January 29, 2016 public hearing, NHTSA staff indicated that there will be some additional documents placed in the docket in the future, for which they will seek comments. To date, there have been no other supplemental agency publications to the docket seeking comments since the closing of the public comment period on February 16, 2016.

[1] 80 Fed. Reg. at 78522, Dec. 16, 2015

b. How does the U.S. NCAP compare to testing procedures performed internationally? What are the benefits of harmonizing the test procedures or test equipment with our international counterparts?

The NCAP programs between the U.S. and Europe are similar, but EuroNCAP testing program is more extensive in comparison to the today's U.S. NCAP – particularly in recent years. (see Attached). Also, whereas U.S. NCAP is managed solely by NHTSA, EuroNCAP is managed by multiple entities including several European governments as well as motoring and consumer organizations.

The NCAP, while a voluntary program, will have a significant impact on how OEMs and suppliers design future vehicles and plan for emerging technologies that will significantly enhance vehicle safety and performance. Broadly speaking, harmonization is essential to the global vehicle industry.

MEMA has long urged the agency to harmonize test protocols for various regulations and standards, where appropriate. MEMA asked NHTSA to look to various test protocols, particularly from the European NCAP (EuroNCAP), that could be appropriately utilized in their upgraded NCAP.

Harmonization of test protocols and test equipment with other global regional NCAP programs, like EuroNCAP, is critical because it reduces or eliminates unnecessary burdens and duplicative resources and costs not only for industry, but also for governments and third-party testing labs. Standardizing these procedures and equipment gives all stakeholders a common, consistent objective that allows for improved certainty that benefits future product research, development and planning. Moreover, when these processes can be streamlined, it further enhances industry innovation and speeds technology advancement.

Respectfully submitted,

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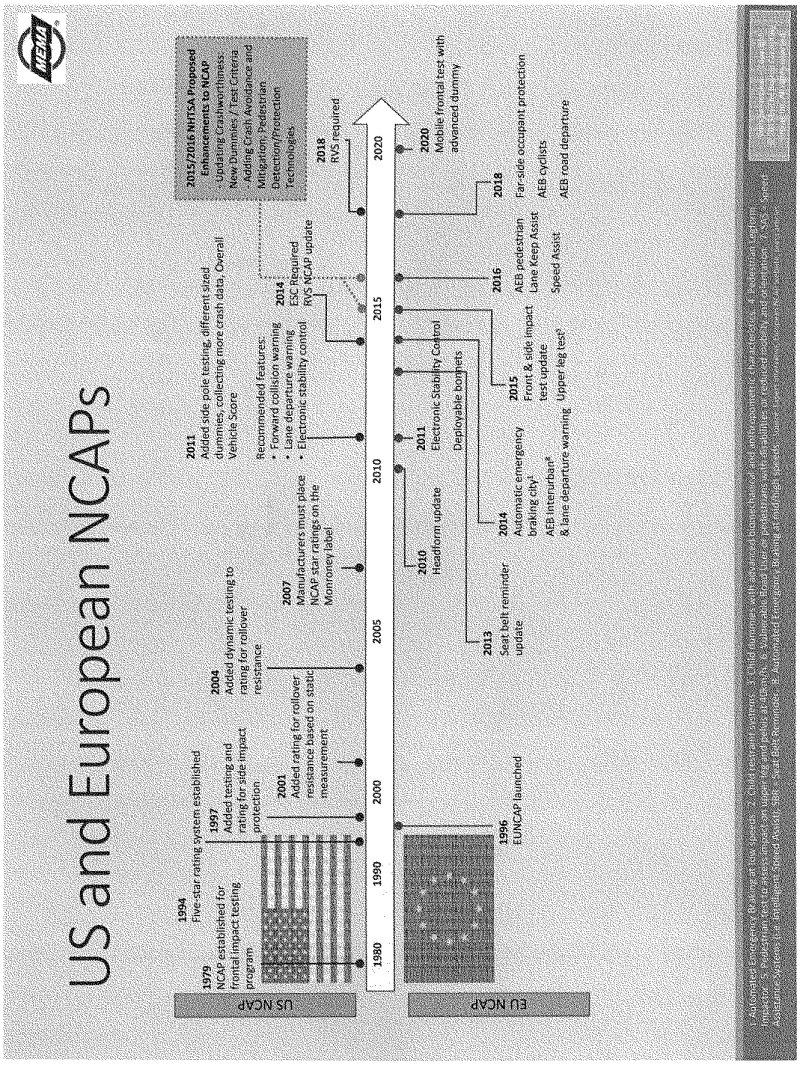
US and European NCAPs
US NCAP
EU NCAP
1979
NCAP established for frontal impact testing program
1994
Five-star rating system established
1997
Added testing and rating for side impact protection
2001
Added rating for rollover resistance based on static measurement
2004
Added dynamic testing to rating for rollover resistance
2007
Manufacturers must place NCAP star ratings on the Monroney label
2011
Added side pole testing, different sized dummies, collecting more crash data, Overall Vehicle Score
Recommended features:
• Forward collision warning
• Lane departure warning
• Electronic stability control
2014
ESC Required
RVS NCAP update
2018
RVS required
2015/2016 NHTSA Proposed Enhancements to NCAP
Updating Crashworthiness: New Dummies / Test Criteria
Adding Crash Avoidance and Mitigation; Pedestrian Detection/Protection Technologies
1996
EUNCAP launched
2004
Automatic emergency braking city[1]
AEB interurban[2]
& lane departure warning
2010
Headform update
2011
Electronic Stability Control
Deployable bonnets
2013
Seat belt reminder update
2014
Automatic emergency braking city[1]
AEB interurban[2]
& lane departure warning
2015
Front & side impact test update
Upper leg test[3]
2016
AEB pedestrian
Lane Keep Assist
Speed Assist
2018
Far-side occupant protection
AEB cyclists
AEB road departure
2020
Mobile frontal test with advanced dummy
1980
1990
2000
2005
2010
2015
2020