

2. There is no allowance for any type of electronic process.

3. The 65% threshold for salvage vehicles is lower than all states' current threshold. Oregon has a threshold for salvage vehicles of 80% and many customers feel 80% is too high.

4. The definition of "major damage" may impact the majority of recent year model vehicles.

5. Requires compliance with this legislation in order to receive any funding for NMVTIS (National Motor Vehicle Title Information System). Tying NMVTIS funding to this legislation has potential to reduce the NMVTIS benefits if lack of funding prevents states from participating in NMVTIS.

#### SEANTE BILL 655

1. Has a lower impact to the public and state agencies.

2. Allows for an electronic process.

3. The anti-theft inspection, if required, could have significant workload impact.

4. There is no tie to the funding for NMVTIS.

5. There are provisions for an incentive grant to provide money to states to implement legislation.

We hope these comments can be used to assure that federal legislation on the salvage of motor vehicles accomplishes its intended purpose without undo hardships on the public and the states that must implement the law.

Sincerely,

MARI MILLER,  
Manager, Program Services.

WISCONSIN DEPARTMENT OF  
TRANSPORTATION,  
Madison, WI, April 14, 1999.

LINDA LEWIS,  
AAMVA, Arlington, VA.

DEAR LINDA: I'm writing on behalf of the Wisconsin Division of Motor Vehicles to respond to your request for comments on the bill titled "Salvaged and Damaged Motor Vehicle Information Disclosure Act" (S. 678) introduced by Senator Feinstein.

Our concerns with this bill are:

#### DEFINITIONS

It applies to all motor vehicles; no limit on age or value.

Flood damage definition is water-line based like the Lott bill, but it doesn't go on to specify that electronic components must actually have been damaged.

The whole concept of "major damage" being defined strictly as a dollar amount (\$3,000) with no provision for rising prices seems problematic. A late model luxury car could have very minimal damage with \$3,000 repair costs, while an old economy car could be considered nonrepairable with \$3,000 damage.

Like the Lott bill, salvage is defined both as a percentage of fair market value (65% in S. 678 and 75% in S. 655) and anything an insurance company pays a claim on and acquires ownership of. The Lott bill excludes theft recoveries unless damaged 75%. When we worked on Wisconsin's title branding law, insurance companies were very upset at salvage-branding what they called "convenience totals." The insurance industry will probably object to that in these bills, too.

#### DISCLOSURE

S. 678 requires: written disclosure on secure paper of salvage, flood, nonrepairable or major damage (plus a description of each occurrence—attached to the title. Each reassignment needs its own disclosure statement. We've been trying to avoid attachments to the title and make all required disclosures on the title itself.

It looks like the disclosure statement could be made in the title assignment area if

the format conforms with federal regulations (when they are promulgated).

It appears we'd need to have the attached disclosures whether or not there is something to disclose, which could mean lots of go-backs for incomplete applications.

#### REBUILDING AND INSPECTION

The restrictions imposed by this bill would seem to significantly reduce interest in rebuilding flood or salvage vehicles. The rebuild is also the inspector in this bill and he or she must: Sign and attach to the title, a secure inspection certificate attesting that "original manufacturer established repair procedures or specifications" were followed in making the repairs and inspections; affix a decal to the door jamb or other conspicuous place; follow "regulations promulgated" describing qualifications and equipment required to do inspection certifications; follow "regulations promulgated" that establish minimum steps for inspection; and post up to a \$250,000 bond (if required) to protect the public against unsafe or inadequate repairs or improper inspection certification.

So, the person who repairs a flood or salvage vehicle also inspects it for safety and quality of repair—but not anti-theft. There doesn't seem to be a provision for anti-theft inspection.

#### NONREPAIRABLE VEHICLES

Nonrepairable vehicles can't be registered and can only be transferred to an insurance company, automotive recycler or dismantler—and only for the purpose of dismantling or crushing.

So, the owner of a classic car that's damaged more than 90% of its fair market value has no choice but to have it dismantled or crushed—even if willing to pay whatever it costs to get it back to legal operating condition.

#### PENALTIES

A civil penalty of up to \$2,000 may be charged for "a violation"—the violation doesn't have to be "knowingly and willfully" performed.

However, if it is "knowingly and willfully" performed, the penalty is the \$2,000 fine, or three years in prison, or both.

#### MISCELLANEOUS

We'd have to revise any of our laws that are inconsistent with this. We would be able to keep our other brands (manufacturer buyback, police, taxi, non-USA standard and insurance claim—if we revised the percentage to 30-65% damage).

Thank you for this opportunity to offer comments on the "Salvaged and Damaged Motor Vehicle Information Disclosure Act." On behalf of the Wisconsin DMV, I hope our ideas prove useful. Please do not hesitate to contact me or Carson Frazier (with our Bureau of Vehicle Services at 608-266-7857) if you have any questions.

Sincerely,

ROGER D. CROSS,  
Administrator.

STATE OF ALABAMA,  
DEPARTMENT OF REVENUE,  
Montgomery, AL, April 14, 1999.

Ms. LINDA LEWIS,  
Public and Legislative Affairs, AAMVA,  
Arlington, VA.

DEAR Ms. LEWIS: Pursuant to President Beam's memo of March 31, 1999, we have reviewed S. 678 to ascertain its possible effects on Alabama. Below is a listing of problems observed.

1. The bill establishes a 65% threshold for salvage vehicles. Alabama has a 75% threshold to determine when a vehicle is declared salvage. In addition, the proposed legislation states that "if the full cost of the damages

suffered in 1 incident is attributable only to cosmetic damages, those damages shall not constitute major damage." Alabama has no such exemption for cosmetic damage when determining whether a vehicle qualifies as a salvage vehicle.

2. The bill has a specific definition for a "flood vehicle." Alabama law does not distinguish between salvage vehicles that have been declared salvage due to flood damage and vehicles that have been declared salvage due to other events. Vehicles that suffer flood damage in Alabama are subject to the 75% threshold for a salvage vehicle and receive a salvage title if damage to the vehicle is equal to or greater than 75% of the retail value for the vehicle. Alabama law does not require a vehicle to be branded as a "flood vehicle."

3. The bill provides a definition for a leased vehicle that differentiates the vehicle from a non-leased motor vehicle. Alabama law makes no such distinction.

4. The written disclosure requirements mandated by the bill would be difficult to comply with when transfers involves repossessions, disposal of an abandoned motor vehicles, situations where ownership passes as a result of the death of an owner, non-voluntary transfers by operation of law and other situations where the transferor may not have personal knowledge of previous vehicle damage.

5. The bill's prescribed use of a secure power of attorney could prove to be burdensome in situations where there was a transfer between individuals who do not have access to the secure document.

6. The bill would be an unfunded mandate that would require a costly re-design of the Alabama certificate of title and the design and implementation of a new secure power of attorney document and secure inspection form. Additional costs would include: training costs for designated agents and reprogramming costs for county offices, automobile dealers, financial institutions, and insurance companies.

7. The disclosure requirements in the bill do not address vehicle damage that occurred prior to the proposed implementation date of the legislation. Therefore, it is unlikely that this information would not be readily accessible to transferor of the vehicle for a subsequent disclosure statement.

8. The bill does not clearly specify who is responsible for conducting a rebuilt salvage vehicle inspection.

In summary, the bill would be an administrative nightmare for the State of Alabama to implement. In addition, based upon the past experience of implementing the federal truth in mileage act, the gains in uniformity among states would be minimal for a substantial period of time and the costs would be both immediate and significant. If additional input is desired, please feel free to contact me at the address listed below or at telephone (334) 242-9013.

Sincerely,

MIKE GAMBLE,  
Assistant Supervisor, Motor Vehicle  
Division/Title Section.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, May 10, 1999, the federal debt stood at \$5,571,919,882,068.64 (Five trillion, five hundred seventy-one billion, nine hundred nineteen million, eight hundred eighty-two thousand, sixty-eight dollars and sixty-four cents).

Five years ago, May 10, 1994, the federal debt stood at \$4,571,813,000,000

(Four trillion, five hundred seventy-one billion, eight hundred thirteen million).

Ten years ago, May 10, 1989, the federal debt stood at \$2,765,710,000,000 (Two trillion, seven hundred sixty-five billion, seven hundred ten million).

Twenty-five years ago, May 10, 1974, the federal debt stood at \$469,195,000,000 (Four hundred sixty-nine billion, one hundred ninety-five million) which reflects a debt increase of more than \$5 trillion—\$5,102,724,882,068.64 (Five trillion, one hundred two billion, seven hundred twenty-four million, eight hundred eighty-two thousand, sixty-eight dollars and sixty-four cents) during the past 25 years.

#### CONTINUING CAMPAIGN OF TERROR IN EAST TIMOR

Mr. FEINGOLD. Mr. President. I am dismayed to report to the Senate that the situation in East Timor continued to deteriorate over the weekend. The violence has become so bad that courageous human rights activists, lawyers, health workers and others have been forced to go into hiding. There are reports that thousands of East Timorese are trapped inside what one observer has called a "concentration camp."

This situation comes on the heels of several new developments. Last week, we had the unfortunate and ironic coincidence of several events on one day, Wednesday, May 5. On that day, the governments of Portugal and Indonesia, under the auspices of the United Nations, signed an agreement regarding the modalities of the planned August 8, 1999, vote on autonomy in East Timor. On that same day, the New York Times published a very significant op-ed by a key human rights lawyer, Aniceto Guterres Lopes, while at the same time, his house was surrounded by armed militias. And, still on the same day, I and several other Senators introduced S. Res. 96, a resolution to push for the Government of Indonesia to make a top priority the disarming of the very militias that seem to be terrorizing the region, among other actions.

Mr. President, on Sunday, May 9, 1999, the Washington Post published an excellent article that explains in horrifying detail just how bad the situation has become in East Timor. I ask unanimous consent that the text of the article be printed in the RECORD, and I thank the Chair.

[From the Washington Post, May 9, 1999]

A CAMPAIGN OF TERROR; ARMY-BACKED MILITIAS USE VIOLENCE TO SWAY VOTE ON E. TIMOR INDEPENDENCE

(By Keith B. Richburg)

The Indonesian military, through armed surrogates and paramilitary groups, is using intimidation, violence and the forced relocation of thousands of people to ensure that residents of East Timor do not vote for independence in a referendum Aug. 8, according to relief workers, human rights groups, Western military analysts and independent reporting here.

The actions of the paramilitary groups stand in sharp contrast to the central government's commitment in a U.N.-brokered agreement last week to allow East Timor's 800,000 people to choose their own future in a referendum, even if they decide to sever ties with Indonesia and become the world's newest independent nation. The government promised a free and fair vote.

Hundreds of Timorese independence activists have been killed or have gone into hiding after receiving death threats from army-backed militias. The main independence group, the National Council for Timorese Resistance has been wiped out in the capital, Dili; its downtown office is shut and its leaders are on the run. Militia members armed with machetes and homemade rifles roam the streets, carrying what is believed to be a death list with the names of prominent activists, human rights lawyers and even Catholic priests.

And in the most ominous sign yet that the military intends to engineer the outcome of the vote, 20,000 people have been herded from their mountain villages and are being held in this town as virtual hostages of the militia—creating a captive bloc of votes in favor of Timor remaining a part of Indonesia. Each day, the men are separated from the women, are forced to stand and sing the Indonesian national anthem and to wear red-and-white armbands and scarves, the colors of the Indonesian flag.

The police say these people are refugees fleeing the pro-independence guerrillas in the hills, who have been waging a low-level insurgency against Indonesian occupation for 24 years. But local relief workers in Dili—no foreign aid workers are allowed here—say they have been barred from traveling to Liqueica to check on the condition of these people, who are living in makeshift tents, under tarps or in abandoned buildings. What little food they have is provided by the local government, and water is scarce.

Last week, a small group of reporters was allowed into Liqueica to see the detainees and take pictures. But interviews outside the presence of the police or militia were forbidden, and most of the people seemed too frightened to speak. A few times, someone in the crowd shouted to the journalists a line not in the official script—one shouted, for example, that they did not have enough to eat—but they were quickly silenced by militia members who raced into the crowds after them.

The police commander for East Timor, Col. Timbul Silaen, had said in Dili earlier that reports of people being held captive in Liqueica were untrue. "At most, there are 100 [people being held], and they are from the pro-independence faction," he said in an interview.

#### LIKE A CONCENTRATION CAMP

But when journalists arrived in Liqueica, they saw what appeared to be at least 20,000 people. The Liqueica police commander, Lt. Col. Adios Salova, put the number at 10,000, but he insisted, "They can go back to their homes if they want."

"They've got Liqueica like a concentration camp," said Dan Murphy, an American physician from Iowa working at a church-run clinic in Dili. "They need help. These people are in desperate shape. . . . They're just sitting out in the open. It's a perfect setup for massive amounts of death" from disease, with so many people without access to clean water and medical care.

Other Timorese relief workers said the kind of forced relocation seen in Liqueica is being repeated on a large scale elsewhere in the territory. The goal, they said, appears to be to hold the detainees captive until the referendum, to create a large bloc of voters who

will support a government-sponsored package that would give broad autonomy to East Timor, but keep it as a part of Indonesia.

"Their plan is to keep the people there and make sure they vote for" autonomy, said Stanislaus Martins, an official of the Catholic charity Caritas.

East Timor, a former Portuguese colony, has been a nettlesome problem for Indonesia since its troops invaded in 1975 on the pretext of stopping a civil war between rival Timorese factions. East Timor was annexed the following year as a province of Indonesia, but the United Nations never recognized the annexation.

For much of the past 24 years, Indonesia refused to budge on recognizing Timorese demands for independence. Displays of defiance were crushed, including a series of army massacres that are now etched in the psyche of Timorese. Human rights groups and Timorese activists estimate the conflict has killed as many as 200,000 Timorese. But for the most part, Timor has simmered on the back burners of international diplomacy.

All that changed this year, when President B.J. Habibie, who took power last May after the fall of longtime ruler Suharto, suddenly announced that Timorese could have independence if they rejected one last, broadened autonomy offer.

But while the civilian government in Jakarta was eager to rid itself of the East Timor problem, the Indonesian military apparently has other concerns. Senior military officers are known to fear that granting the territory independence will fuel separatist movements across the sprawling archipelago, particularly in the mineral-rich province of Irian Jaya, and in the troubled, Muslim fundamentalist-dominated province of Aceh on Sumatra Island. Troops have been fighting insurgencies in both those provinces, and the rebels have been emboldened by the government's concessions to the Timorese.

"It's national unity, and fear of national disintegration," said a Western military analyst.

The armed forces created the militias ostensibly to help keep the peace. But Timorese activists, human rights lawyers, and Western military analysts point to a more sinister purpose—to use them to create the appearance of a civil war in East Timor, while embarking on a campaign to terrorize and intimidate enough people to ensure a vote against independence.

#### WEAPONS OF TERROR

In recent weeks, the militias have rampaged unchecked in East Timor, killing and maiming suspected independence supporters and sympathizers. "Ever since [Secretary of State] Madeleine Albright came [in March], it's been terrible," said Murphy, the American physician. "Since then, they've decided to take a hard line, and bring out all the weapons of terror and intimidation."

The most brazen attack was here in Liqueica on April 6, when militiamen stormed a Catholic church sheltering hundreds of refugees. Tear gas forced the refugees into the open, where they were shot and hacked with axes and machetes; human rights groups recorded 57 deaths.

On the weekend of April 17, militias rampaged through Dili, driving out most of the independence supporters after a rally at the offices of Timor's Jakarta-appointed governor. The militia members burned down homes and shops in Dili's Becora market area, injuring scores of people.

"The militia is the military; they didn't do this on their own," said a man named Mateus, whose house was spared but who saw his neighbors' houses reduced to smoldering rubble. "We saw their cars, and behind them was the military."