

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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**MEMORANDUM**

**May 3, 2010**

**To: Members of the Subcommittee on Commerce, Trade, and Consumer Protection**

**Fr: Subcommittee on Commerce, Trade, and Consumer Protection Staff**

**Re: Hearing on H.R. \_\_\_\_\_, the Motor Vehicle Safety Act of 2010**

On May 6, 2010, at 11:00 a.m. in room 2322 of the Rayburn House Office Building, the Subcommittee on Commerce, Trade, and Consumer Protection will hold a hearing on H.R. \_\_\_\_\_, the Motor Vehicle Safety Act of 2010. Committee Chairman Henry A. Waxman and Subcommittee on Commerce, Trade, and Consumer Protection Chairman Bobby Rush released a discussion draft of the legislation on April 29, 2010.

**I. BACKGROUND**

The National Highway Traffic Safety Administration (NHTSA) has broad jurisdiction relating to motor vehicles. The agency was established in 1970 with a mission to save lives, prevent injuries, and reduce the economic cost of crashes through education, research, safety standards, and enforcement of laws, regulations and standards. NHTSA conducts crash data analysis, research, and rulemaking for vehicle safety, and is responsible for overseeing issues related to fuel economy, child car seat performance, and tire safety. NHTSA is also responsible for collecting consumer complaint data, investigating potential vehicle defects, and overseeing recalls of vehicles with safety defects. In addition, the agency administers grants to states to enforce laws requiring seat belts and prohibiting drunk driving.

Over the past several months, increasing public attention has been paid to NHTSA's enforcement role. Following several recalls of Toyota vehicles due to concerns about unintended acceleration, the Subcommittee on Oversight and Investigations and the Subcommittee on Commerce, Trade, and Consumer Protection held hearings. During these hearings, Members raised concerns about whether NHTSA has the resources and the capability to conduct in-depth investigations into new and complex systems in vehicles, and to evaluate manufacturers' claims about the operations of their vehicles. The Motor Vehicle Safety Act of 2010 was drafted to address these and other concerns about NHTSA's ability to ensure the safety of vehicles on the road.

## II. THE MOTOR VEHICLE SAFETY ACT OF 2010

The discussion draft of the Motor Vehicle Safety Act of 2010 aims to improve auto safety and strengthen NHTSA by (1) increasing the agency's expertise in vehicle electronics, and requiring new safety standards for cars run largely by electronic systems; (2) increasing the agency's enforcement authorities; (3) increasing transparency and accountability in auto safety; and (4) providing additional funding to the agency for its vehicle safety mission.

### A. Vehicle Electronics and Safety Standards

The legislation would strengthen NHTSA's expertise in electronics by creating a new Center for Vehicle Electronics and Emerging Technologies within NHTSA, to build, integrate, and aggregate the agency's expertise in new technologies across all vehicle safety components, including research and development, defects investigation, and rulemaking. It would also encourage engineering students interested in vehicle safety to work in government by establishing a fellowship program.

The legislation would also mandate new safety standards related to electronics and unintended acceleration, including: a standard that vehicles be able to stop using normal braking pressure, even when the throttle is open; a standard that prevents pedals from getting trapped in floor mats or other obstructions; and a standard for electronic systems performance.

The legislation would further require that all vehicles be equipped with event data recorders that record crash information. The legislation would require that NHTSA issue a rule requiring such recorders be more robust, store data from a longer time period before and after a crash, store more data elements as appropriate, and make the information easily accessible to investigators.

### B. Enhanced Safety Authorities for NHTSA

Under current law, NHTSA can seek limited civil penalties against companies that violate federal motor vehicle safety laws, including laws that require vehicles to meet safety standards and that mandate that companies share information about possible defects with NHTSA in a timely manner. The limit on civil penalties is \$5,000 per violation with a maximum of \$16.4 million. This bill would increase the fine to \$25,000 per violation and would include no maximum.

The legislation would also provide NHTSA with the authority to order an immediate recall if it finds a defect or lack of compliance with federal safety standards that creates an "imminent hazard of death or serious injury." The affected company would receive expedited review of the recall order in the Court of Appeals.

### C. Transparency and Accountability

The legislation would increase transparency by requiring that more “Early Warning Reporting” data be made available to the public. This data is submitted by the vehicle manufacturer to NHTSA every quarter. The legislation would further improve public accessibility to information on the NHTSA website, and would encourage consumers as well as manufacturer, dealer, and auto repair and mechanic personnel to report potential defects to the agency.

The legislation would add oversight to NHTSA’s investigations by enabling a citizen who files a petition to NHTSA requesting a defect investigation to seek judicial review if the petition is rejected.

The legislation would also increase manufacturers’ responsibility for information supplied to NHTSA by requiring a senior executive within the United States to certify the accuracy of information submitted to NHTSA in response to investigations.

D. Funding

The legislation would establish a vehicle safety user fee paid by the vehicle manufacturer for each vehicle certified to meet the federal motor vehicle safety standards for sale in the United States. This fee, which would supplement appropriations, would support the agency’s vehicle safety programs. In addition, the legislation would double the current authorization level for NHTSA’s vehicle safety programs over three years.

**III. WITNESSES**

Panel I:

The Honorable David Strickland  
Administrator  
National Highway Traffic Safety Administration

Panel II:

Dave McCurdy  
President and CEO  
Alliance of Automobile Manufacturers

Michael J. Stanton  
President and CEO  
Association of International Automobile Manufacturers

The Honorable Joan Claybrook  
Former Administrator  
National Highway Traffic Safety Administration

Clarence Ditlow  
Executive Director  
Center for Auto Safety

Jim Harper  
Director of Information Policy Studies  
Cato Institute