

**Testimony of
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**Before the
House Subcommittee on Commerce, Manufacturing and Trade
Regarding H.R. 5859, a Bill to Repeal an Obsolete Provision in
Title 49, U.S.C, Requiring Motor Vehicle Insurance Cost Reporting**

June 1, 2012

Madam Chairman, Ranking Member Butterfield, my name is Jack Fitzgerald. I have been selling cars since 1956, and I have been an auto dealer since 1966. I am the owner of Fitzgerald Auto Mall, with dealerships in Maryland, Pennsylvania, and Florida. I employ 1,200 people.

I commend this subcommittee for holding a hearing on H.R. 5859, a bill introduced by Representative Harper of Mississippi and Representative Owens of New York to repeal a provision in Title 49 that requires the National Highway Traffic Safety Administration (NHTSA) to provide to new car dealers information “that compares insurance costs for different makes and models of passenger motor vehicles based on damage susceptibility and crashworthiness.” To implement this mandate, NHTSA annually sends to new car dealers a booklet entitled, “Relative Collision Insurance Cost Information.” According to NHTSA, dealers are “responsible for reproducing and maintaining a sufficient number of copies of the booklet in showrooms, so that the booklets can be given to prospective purchasers of new vehicles.” The data in the booklet is compiled by the Highway Loss Data Institute (HLDI), and NHTSA does not verify the data.

I support passage of H.R. 5859. First, the information in the booklet is largely useless to inform the buying decision of new car purchasers. For example, according to NHTSA, the booklet “does *not* indicate a vehicle's relative safety for occupants.” Thankfully, test data relating to vehicle crashworthiness that consumers can easily compare by looking at the window sticker is available under the New Car Assessment Program (NCAP).

Additionally, the information in the booklet is completely irrelevant to many new car buyers. According to NHTSA, “If you do not purchase collision coverage or your insurance company does not use the HLDI information, your premium will not vary at all in relation to these rankings.”

Moreover, the data in the booklet is retrospective, and doesn't necessarily correspond with the new models that have been substantially re-designed for current model years. Accordingly, the few consumers who do access the information in this booklet could be misinformed by relying on data that is not applicable to current models.

In a nutshell, the information in the booklet is of no use to those drivers who do not purchase collision coverage, may contain inaccurate information about the model a prospective car buyer is considering, and is only a small factor overall when an insurance company sets its premiums. Perhaps this is why NHTSA counsels consumers to "contact insurance companies or their agents directly" to "obtain complete information" about what a new car buyer would actually pay in insurance costs, as such information will not be found in this booklet.

Finally, a recent survey by the National Automobile Dealers Association found that 96% of dealers cannot recall any customer ever requesting a copy of the booklet. I have been selling cars the entire time this law has been enforced, and I cannot recall, nor can any member of my staff recall, any customer ever asking for this booklet.

For the past 21 years, NHTSA has spent hundreds of thousands of dollars to produce and mail a booklet practically no one ever asks for that contains information generally unhelpful to new car shoppers. Congress should relieve NHTSA of the burden of complying with this unnecessary statutory mandate by passing H.R. 5859. I note that this bill in no way impedes NHTSA from publishing on its website this data for anyone who wants to access it.

While the savings and burden on business of this statutory mandate may be relatively small, NHTSA will continue to distribute this booklet in perpetuity unless Congress acts. Passage of H.R. 5859 will put an end to this obsolete provision.

I commend Representatives Harper and Owens for identifying government waste and taking steps to end it. I hope Congress will continue to work on a bipartisan basis to clear out the statutory deadwood we all pay for. H.R. 5859 is a good start, and I encourage Congress to identify other obsolete or job killing rules that deserve repeal or revision.

Madam Chairman, I urge passage of H.R. 5859. Thank you for your consideration.