



Statement of Michael J. Stanton

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**Association of Global Automakers, Inc. (Global
Automakers)**

Before the

Committee on Energy and Commerce

Subcommittee on Commerce, Manufacturing and Trade

United States House of Representatives

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Summary Statement

My name is Michael Stanton, and I am President and CEO of the Association of Global Automakers. Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations.

Tremendous strides have been made in motor vehicle and highway safety in recent years. In the early 1980's, approximately 50,000 Americans died each year in highway crashes. Annual fatalities are now in the low 30,000 range, notwithstanding substantial population growth and increases in vehicle miles traveled during the past 30 years.

A variety of factors have contributed to this decline, but improvements in motor vehicle design and technology have been major contributors. Vehicle manufacturers remain committed to further improvements in vehicle safety.

In recent years, major safety initiatives have been pursued through cooperative measures involving industry and government. The voluntary approach has been effective in achieving substantial safety benefits more quickly and less expensively than would result from a formal rulemaking approach.

The Senate has recently completed action on a transportation bill (S. 1813) that includes a vehicle safety title. There are provisions included in this bill we support, including grants to states to address enforcement of traffic laws, including reducing impaired and distracted driving and encouraging states to strengthen their Graduated Driver Licensing laws (Sections 31107, 31108 and 31112). We also support provisions directing NHTSA to: 1) continue its support of research on driver alcohol detection systems (Section 31111); and 2) conduct a study regarding the quality of data and the data elements collected through the National Automotive Sampling System (Section 31310).

The House transportation bill (HR 7) under consideration contains some similar provisions, including measures to extend incentive grant funding to improve seat belt use and implement alcohol and impaired driving countermeasures (Section 12201).

However, there are some provisions in the Senate-passed bill of considerable concern to our members. For example, several of the activities prescribed in the bill are underway at NHTSA and would, in our view, be better left to agency expertise.

Other provisions in the Senate bill are also problematic. Our principal concerns include, but are not limited to, the following matters: 1) excessive civil penalties (Section 31203); 2) public availability of sensitive and proprietary early warning data (Section 31304); 3) corporate responsibility for NHTSA reports (Section 31305); and 4) vehicle event data recorders (Section 31406). We also believe it would be premature for Congress to mandate changes to the NHTSA recall process (Section 31311).

My name is Michael Stanton, and I am President and CEO of the Association of Global Automakers. Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our members sell 40 percent of all the vehicles purchased in America today. We also produce 40 percent of all vehicles made in the United States. Global Automakers' companies have invested \$43 billion in U.S.-based production facilities, have a combined domestic production capacity of 4.2 million vehicles, directly employ more than 80,000 Americans, and create nearly 500,000 jobs for Americans through dealers and suppliers. Global Automakers supports public policies that improve motor vehicle safety, encourage technological innovation and protect our environment. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and the development of vehicles that enhance the quality of life for our customers.

Tremendous strides have been made in motor vehicle and highway safety in recent years. In the early 1980's, approximately 50,000 Americans died each year in highway crashes. That number has steadily declined and annual fatalities are now in the low 30,000 range. This reduction has occurred notwithstanding substantial population growth and increases in vehicle miles traveled during the past 30 years. In the 1980's highway fatalities occurred at a rate of 3.35 per hundred million vehicle miles traveled. That rate has been cut by two-thirds.

A variety of factors have contributed to this decline, but improvements in motor vehicle design and technology have been major contributors. Developments in advanced

technologies in recent years have had a significant effect on the fatality rate, and there is ample evidence that major improvements can be achieved in the near future.

In recent years, advances in electronic sensors have enabled “intelligent” occupant protection systems. The advances in these technologies have enabled the development of highly effective systems at reasonable cost. These new systems have been fully accepted by consumers. More recently, the focus of the industry and the National Highway Traffic Safety Administration (NHTSA) has been on advanced crash avoidance technologies. These systems can sense the potential for a crash and alert the driver to the risk. Some of these technologies can actually intervene and activate the vehicle’s braking system to help avoid a crash or reduce its severity.

Despite these improvements in safety, motor vehicle crashes remain a significant cause of death and serious injury in the U.S., particularly for younger drivers. For vehicle manufacturers, there remains a strong commitment to further improvements in vehicle safety. In particular, the aggressive pursuit of advanced crash avoidance technologies continues.

Next generation technologies will allow vehicles to communicate with each other and with roadway infrastructure to avoid crashes. A major field trial of this “connected vehicle” technology is now underway in Michigan. Substantial reductions in crashes are anticipated from these vehicle-to-vehicle and vehicle-to-infrastructure communication systems. As a result of these and other ongoing efforts there is real cause for optimism that the trend of improved highway safety will continue.

In recent years, major safety initiatives have been pursued through cooperative measures involving industry and government. In 2000, auto manufacturers, the insurance industry, and suppliers worked together to develop test procedures for enhanced side airbag performance that were adopted by the auto industry in a voluntary agreement with NHTSA. In 2003, a similar approach was used to reach a voluntary agreement to improve the compatibility of car and light truck body structures, reducing fatalities in frontal crashes. Recently, NHTSA has issued voluntary guidelines regarding driver distraction related to in-vehicle electronic devices. The distraction guidelines were based in part on work by our friends at the Alliance of Automobile Manufacturers. The voluntary approach has been effective in achieving substantial safety benefits more quickly and less expensively than would result from a formal rulemaking approach.

NHTSA is implementing an aggressive agenda of vehicle safety rulemaking and research activity. Work is under way at the agency to address push-button ignition systems, electronic accelerator control systems, alert sounds for hybrid vehicles, event data recorders, and several other matters. Research continues on rollover crashes, various frontal crash modes, and the safety impact of vehicle weight reduction resulting from new fuel economy standards. We plan to work cooperatively with the agency on all of these matters.

The Senate has recently completed action on a transportation bill (S. 1813) that includes a vehicle safety title. In that connection, I would like to highlight our views on some of the key provisions in this section of the bill.

To start, there are measures we believe can have a demonstrable, positive impact on safety that we support, including grants to states to address enforcement of traffic laws, reduce impaired and distracted driving and strengthen Graduated Driver Licensing (GDL) laws (Sections 31107, 31108 and 31112). We also support provisions in the Senate bill that direct NHTSA to continue its support of research on driver alcohol detection systems (Section 31111). These systems prevent impaired drivers from starting their vehicles, thereby addressing one of the most significant causes of traffic fatalities. These measures are also consistent with activities already underway at NHTSA and planned for continuation by the agency, as stated in the agency's Congressional Budget Justification document. In addition, we support Section 31310 of the Senate bill, which directs NHTSA to conduct a study regarding the quality of data and the data elements collected through the National Automotive Sampling System (NASS). The data compiled by NHTSA, through on-site vehicle crash investigations, is critical for the evaluation of countermeasures as well as for the industry's ongoing research and development efforts.

The House transportation bill (HR 7) under consideration contains some similar provisions, including measures to extend incentive grant funding for programs to improve seat belt use and implement alcohol and impaired driving countermeasures (Section 12201). We believe these programs have a direct and positive impact on highway safety and urge their inclusion in any final transportation bill.

However, there are some provisions in the Senate-passed bill of considerable concern to our members. For example, several of the activities prescribed in the bill are underway

at NHTSA and would, in our view, be better left to agency expertise. These include rulemakings on brake pedal override (Section 31402), push-button ignition systems (Section 31405) and mandatory installation of event data recorders (Section 31406). Pedal placement, the subject of another directed rulemaking in the Senate bill (Section 31403), is appropriately the subject of research at NHTSA.

Other provisions in the Senate bill are also problematic. Our principal concerns include, but are not limited to, the following matters:

- **Excessive Civil Penalties (Section 31203).** The bill proposes increases in noncompliance penalties, reaching levels that are disproportionately higher than those under other current regulatory laws. Vehicle manufacturers take their safety compliance obligations extremely seriously, and the substantial increases in the penalty amounts seem to be unnecessary and unfairly punitive in nature.
- **Public Availability of Sensitive and Proprietary Early Warning Data (Section 31304).** The bill would create a presumption in favor of public disclosure of manufacturer-submitted information relating to potential defects. This information is fundamentally manufacturing quality data which has substantial competitive value. This matter has been previously and carefully considered by the agency and the courts, and we see no need to revise the balance that has been struck.
- **Corporate Responsibility for NHTSA Reports (Section 31305).** The Senate bill would add an additional civil penalty to existing criminal penalties for submitting false information in reports to NHTSA. Layering additional civil fines

on top of potential criminal penalties for making false statements to the government is unnecessary – and unlikely to enhance motor vehicle safety. We feel that this provision should be removed.

- **Vehicle Event Data Recorders (Section 31406).** This section, among other things, adopts prescriptive requirements regarding the installation of enhanced vehicle event data recorders (EDRs). NHTSA currently has several rulemaking proceedings underway or planned to address these matters. It would be more appropriate to allow NHTSA to complete its investigations and issue rules based upon a full and comprehensive analysis of these complex matters, rather than attempting to prejudge these technical issues.

Finally, we believe it would be premature for Congress to mandate changes to the NHTSA recall process (Section 31311). NHTSA is conducting a comprehensive review of the recall process based on the Government Accountability Office’s June 15, 2011 report, “NHTSA Has Options to Improve the Safety Defect Recall Process” (GAO-11-603). Congress should refrain from imposing any new mandates on the recall process without benefit of this review. We urge Congress to allow NHTSA to complete its review before mandating new requirements.

Thank you for the opportunity to highlight some of Global Automakers’ views on this complex and important topic.

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