

October 19, 2015

John Bozzella, Global Automakers President and CEO, Responses to Additional Questions for the Record submitted after the House Energy and Commerce Subcommittee on Commerce, Manufacturing and Trade September 25, 2015 Hearing entitled “Legislative Hearing on VIN Database and Auto Whistleblower Bills”

From the Honorable Gregg Harper

1. If or when an employee reports information about a possible safety violation, what processes do automakers have in place to take action on that information or investigate the claim made by the employee?

While all automakers share the goal of creating a safe environment that encourages employees to report safety concerns, each has its own procedures, tailored to its workforce and organization. Many companies process employee claims by way of an internal “hot line” (in some case run by a third party), and the report is then referred to the appropriate personnel for investigation. In some companies, the report will be referred directly to a dedicated Safety Officer who will then oversee the investigation of the matter, ensure that any necessary corrective action is taken, and communicate the status back to the original employee.

2. How do automakers determine the merit of the information provided by a whistleblower and whether senior officials within the company need to be notified?

Again, the process for determining the merits of a safety claim brought by an employee varies across the companies. Many companies have a procedure for referring the report to the internal personnel with the requisite technical expertise concerning the matter and the authority to take further action, if necessary, to inform senior officials within the company.

- A. What additional guidance or direction is given to the employee who made the disclosure about how their complaint will be addressed?

Each manufacturer is committed to ensuring that employees who report safety issues are protected. Procedures vary by company. Many manufacturers train their employees specifically on product defect and safety issues, and that training may include the procedure for reporting any potential safety defect to management, and for following up on that report.

- B. Are whistleblowers notified and kept informed of when their complaint has been addressed and resolved?

Typically, the employee who made the safety report will be kept informed concerning the investigation of the report, as well as how the issue was resolved; however, the procedure for doing so will vary by company.

From the Honorable Jan Schakowsky

1. The Vehicle Safety Improvement Act would prohibit dealers from selling or leasing a used car that is subject to a recall if the vehicle has not been repaired. Does your association support a law that prohibits used car companies from selling or leasing a car unless all known recalls and defects have been repaired?

Global Automakers believes that all motor vehicles with open recalls should be repaired, regardless of where they are in the stream of commerce. We therefore believe that, at a minimum, purchasers of used vehicles should be informed of their recall status. This is why we favor the comprehensive and ongoing approach of informing consumers of the recall status of their vehicles through the state DMV registration and reregistration process. This process by definition captures every vehicle regardless of where it is sold and how often it is sold.

2. According to the Department of Transportation, average recall completion rates are currently close to 80%. That rate should be 100, and we should explore every avenue that could allow us to reach those missing consumers. However, 80% is rather high, and we all know someone who has said that he or she has received a notice but has yet to deal with it. I am concerned that the VIN database described in this draft will not affect recall completion rates. Am I correct that the data in this new database is the same dataset used currently—that is, data from state DMVs—to provide addresses?

Yes, it is our understanding that data for the VIN database described in the draft bill is the same DMV-originated data currently purchased by most automakers through third parties. It is possible that the database created by the bill could reflect more current information depending on how often the database is updated. While we agree that the VIN database may not fully resolve the problem of recall completion rates, we do believe that getting the state DMVs involved will increase completion rates if the registration process is used to notify or even mandate recall repairs prior to registration or renewal.

From the Honorable G. K. Butterfield

1. Mr. Bozzella, in your testimony submitted to the Commerce, Manufacturing, and Trade Subcommittee, you stated, "... Global Automakers supports efforts to dramatically improve recall completion rates, so that no one is left driving an unrepaired vehicle." The rental car industry, consumer organizations, General Motors, and Honda, which is a member of your association, are supportive of H.R. 2198, the Raechel and Jacqueline Houck Safe Rental Car Act, which would mandate rental car companies fix recalled vehicles in their fleets before renting or selling them.

- a. In light of your Association's support for improving recall completion rates and ensuring consumers are not left driving unrepaired vehicles; does the Association of Global Automakers support H.R. 2198?

Global Automakers believes that every motor vehicle with an open recall should be repaired. We believe that any customer of a vehicle at any point in the stream of commerce should be informed of the recall status of their vehicle – new, used, or rented. This is why we favor the comprehensive and ongoing approach of informing consumers of the recall status of their vehicles through the state DMV registration and reregistration process.

- b. If the Association of Global Automakers does not support the legislation, please explain why.

Please see the answer provided above.