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6 OVERSIGHT OF THE NATIONAL HIGHWAY TRAFFIC

7 SAFETY ADMINISTRATION

8 THURSDAY, APRIL 14, 2016

9 House of Representatives

10 Subcommittee on Commerce, Manufacturing,

11 and Trade

12 Committee on Energy and Commerce

13 Washington, D.C.

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17 The subcommittee met, pursuant to call, at 10:00 a.m., in
18 Room 2123 Rayburn House Office Building, Hon. Michael Burgess
19 [chairman of the subcommittee] presiding.

20 Members present: Representatives Burgess, Lance, Blackburn,
21 Harper, Guthrie, Olson, Kinzinger, Bilirakis, Brooks, Mullin,
22 Upton (ex officio), Schakowsky, Clarke, Kennedy, Cardenas,
23 Butterfield, and Pallone (ex officio).

24 Staff present: Sean Bonyun, Communications Director;
25 Leighton Brown, Deputy Press Secretary; Rebecca Card, Assistant

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1 Press Secretary; Karen Christian, General Counsel; Paige Decker,
2 Executive Assistant; Graham Dufault, Counsel, Commerce,
3 Manufacturing, and Trade; Melissa Froelich, Counsel, Commerce,
4 Manufacturing, and Trade; Giulia Giannangeli, Legislative Clerk,
5 Commerce, Manufacturing, and Trade; Jay Gulshen, Staff Assistant;
6 Paul Nagle, Chief Counsel, Commerce, Manufacturing, and Trade;
7 Dan Schneider, Press Secretary; Olivia Trusty, Professional
8 Staff, Commerce, Manufacturing, and Trade; Dylan Vorbach, Deputy
9 Press Secretary; Michelle Ash, Minority Chief Counsel, Commerce,
10 Manufacturing, and Trade; Jeff Carroll, Minority Staff Director;
11 Lisa Goldman, Minority Counsel, Commerce, Manufacturing, and
12 Trade; Tiffany Guarascio, Minority Deputy Staff Director and
13 Chief Health Advisor; Rick Kessler, Minority Senior Advisor and
14 Staff Director, Energy and Environment; Caroline Paris-Behr,
15 Minority Policy Analyst; Diana Rudd, Minority Legal Fellow; Matt
16 Schumacher, Minority Press Assistant; and Andrew Souvall,
17 Minority Director of Communications, Outreach and Member
18 Services.

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1 Mr. Burgess. I will ask all of our guests to take our seats
2 and the Subcommittee on Commerce, Manufacturing, and Trade will
3 now come to order.

4 I will recognize myself for 5 minutes for an opening
5 statement.

6 Administrator Rosekind, welcome to our hearing this morning.
7 It is always good to have you here. We look forward to your
8 testimony today. There are a lot of important things that we need
9 to discuss, some things that have changed since our last visit
10 here, with the passage of the highway bill. But we are grateful
11 that you are here today.

12 Your administration, the National Highway Traffic Safety
13 Administration, was established by Congress in 1970 to reduce
14 deaths and injuries from motor vehicle accidents and help make
15 our nation's roadways safer. The importance of the agency's
16 mission cannot be understated. With 50 million vehicles recalled
17 and a surge in traffic fatalities last year, it is clear that your
18 work has very real and immediate societal and economic implications
19 that affect the lives of virtual every American.

20 The life-saving nature of NHTSA's mission requires Congress
21 and this subcommittee, in particular, to ensure absolute
22 compliance with federal motor vehicle safety standards and their
23 processes. It also requires us to monitor the agency's ability
24 to keep pace with technology, keep pace with advancements in
25 automotive systems that promise greater safety and mobility. We

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1 have seen, over the last few years, failure to comply with safety
2 standards or a misunderstanding of a vehicle construction design
3 can lead to delays in safety recalls, roadway fatalities, and
4 preventable deaths.

5 Based on our focus on auto safety, we have included many
6 reforms in the safety title for which this subcommittee was
7 responsible of the fixing America's Surface Transportation Act
8 that was passed by Congress last year and signed into law last
9 year. Among those reforms included to the National Highway
10 Traffic Safety Administration was to implement the 17
11 recommendations issued by the department of Transportation Office
12 of Inspector General, following a comprehensive audit of the
13 agency's internal processes. Those recommendations are intended
14 to improve NHTSA's collection of vehicle safety data so that
15 safety defects can be identified earlier and faulty cars can be
16 removed from the road faster. The recommendations are also
17 intended to help the National Highway Traffic Safety
18 Administration keep pace with complex vehicle technology.

19 NHTSA has pledged to implement all 17 recommendations by June
20 30th of this year. Following this hearing, I will send a request
21 for a full breakdown of your administration's progress towards
22 implementing all 17 recommendations.

23 The recently passed highway bill also contains a number of
24 other measures intended to protect the driving public, including
25 improving NHTSA's safety recall processes, increasing the

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1 availability of vehicle defect information to consumers and
2 keeping Congress apprised of the agency's activities through the
3 submission of an annual agenda. Each of these reforms work
4 together to ensure that the agency remains focused and dedicated
5 to its mission of saving lives and that the cars American motorists
6 are driving are, indeed, safe.

7 We also must ensure absolute compliance with motor vehicle
8 safety standards and processes from vehicle manufacturers,
9 suppliers, and new entrants into the automotive industry. Their
10 role in advancing vehicle safety and roadway safety is just as
11 critical to the goal of reducing traffic fatalities and increasing
12 safety for all roadway travelers. To that end, the recently
13 passed highway bill contains provisions that strengthen, remedy,
14 and repair obligations among automakers for vehicles under recall
15 and requires greater accountability from dealers and rental car
16 companies to ensure that consumers driving away from those lots
17 are driving safe cars.

18 In addition to the implementation of the FAST Act, there is
19 much more to consider today. And I certainly do look forward to
20 discussing the status of the ongoing Takata airbag recall.

21 Back home in Texas, there was another tragic fatality tied
22 to these airbags. The National Highway Traffic Safety
23 Administration established a coordinated remedy program in 2015
24 to accelerate the replacement of defective Takata airbag
25 inflators. Despite this program, the take rate, or the

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1 percentage of people issued a recall that take their vehicle in
2 for servicing remains low.

3 Always, I commit to you that we will do whatever possible
4 for the public service campaign to make sure this word gets out
5 to consumers.

6 I hope to hear about your coordinated remedy program and what
7 additional action NHTSA is planning to solve this problem. I also
8 look forward to discussing how the agency is working with
9 automakers to protect vehicles from cyber threats and how the
10 agency is preparing for the industry's future of crash avoidance
11 technology, vehicle-to-vehicle communications, autonomous cars
12 and beyond.

13 We provided for a significant increase in resources for the
14 National Highway Traffic Safety Administration in the recently
15 passed highway bill. Some of those are contingent upon meeting
16 some of the performance metrics set forward in the OIG report.

17 And then finally I would just like to say that you have been
18 good about coming when we asked. You have been good about being
19 straightforward with us in your answers. And for that, I am very
20 appreciative. It just goes without saying everyone should know
21 where their vehicle identification number is located on their car,
22 lower left-hand of the windshield, driver's side doorpost, and
23 that vehicle number can be entered into your database,
24 safecar.gov, safe with an R car.gov and find out if their vehicle
25 has been subject to a recall. It is important information. Our

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1 subcommittee vice chair actually had two recalls on his vehicle
2 and it was delineated that way. So, I encourage people to check
3 the car of yourself, for your loved one, or your child, someone
4 for whom you are responsible because it is the responsible thing
5 to do.

6 And I will yield to the ranking member of the subcommittee,
7 Ms. Schakowsky from Illinois for an opening statement, 5 minutes,
8 please.

9 Ms. Schakowsky. Thank you, Mr. Chairman and I appreciate
10 that really important public service announcement. Seriously,
11 we need to encourage our constituents and our American citizens
12 to do just that.

13 So, I look forward to hearing today how NHTSA is addressing
14 ongoing and emerging safety challenges. Last summer, I know you
15 Administrator Rosekind were here to testify on the Takata airbag
16 recalls. The fallout from these defective airbags continues, as
17 we know. Toyota announced the recall of another 60,000 vehicles
18 this morning. So, these recalls keep on coming.

19 Just last week it was a 17-year-old in Texas when her airbag
20 ruptured during a low-speed accident. And consumers are rightly
21 concerned by the expanding class of vehicles impacted by this and
22 other defects that drove 2015 to be a record-setting year for auto
23 recalls.

24 In 2015, traffic fatalities also increased by nine percent,
25 reversing years of progress. And we just can't have another year

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1 like 2015.

2 NHTSA has made progress in some important areas. For
3 instance, under a new rule, heavy vehicles will be required to
4 have electronic stability control. At the same time, I would like
5 to see more progress in other areas, such as rear seat belt
6 reminders. As we work to improve safety, strong enforceable
7 standards are vital and that is why I am concerned about reliance
8 on non-specific voluntary standards.

9 The Proactive Safety Principles released earlier this year
10 set out some broad areas for improvement and I agree that the
11 industry and NHTSA should be more proactive in improving safety,
12 examining early warning, reporting data, increasing recall
13 participation and enhancing cybersecurity but I worry that
14 progress in these areas will be limited if we don't have
15 enforceable standards. The lives of drivers, passengers, and
16 those sharing the road are too important to rely on broad
17 principles.

18 We need to ramp up our approach to safety. I, along with
19 ranking member of the full committee, Mr. Pallone, and several
20 members of the subcommittee have introduced the Vehicle Safety
21 Improvement Act and our bill would increase penalties for
22 violations of safety standards, double NHTSA's safety funding,
23 ensure the public is properly notified of safety problems, and
24 enable NHTSA to better respond when recalls are necessary.

25 Last year, Congress considered a surface transportation

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1 bill. And while I am glad that we finally did pass a long-term
2 transportation bill on safety, this bill, I think, was largely
3 a missed opportunity but we can fix that. Bills like VSIA are
4 what the subcommittee would be advancing if we want to make
5 meaningful progress toward reducing vehicle deaths in addition
6 to current safety challenges, NHTSA and the subcommittee must
7 think about the next generation of vehicles, vehicle-to-vehicle
8 technology and automated driving, have the potential to improve
9 highway safety but there is a lot to test and figure out.

10 And let me just say that consumer privacy and strong security
11 need to be built in to these technologies from the get-go. And
12 NHTSA needs to be provided sufficient resources to adequately
13 review these technologies before mass deployment.

14 That gets to a broader point. NHTSA needs adequate funding,
15 if we want adequate safety. We get the government that we pay
16 for. And when our consumer watchdogs don't have enough
17 resources, we shouldn't be surprised when they don't keep pace
18 with our safety needs. We need strong standards coupled with the
19 resources to develop and enforce them. And without that, we
20 aren't going to make the progress that we need.

21 I welcome our witnesses. I look forward to your testimony.

22 And I yield back, unless someone wants almost a minute. And
23 I yield back.

24 Mr. Burgess. The chair thanks the gentlelady. The
25 gentlelady yields back.

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1 The chair recognizes the chair of the full committee, Mr.
2 Upton, 5 minutes for an opening statement.

3 The Chairman. Thank you, Mr. Chairman.

4 Auto safety, it is a matter of life and death. Yes, it is.
5 There are not a lot issues as important as keeping Americans safe
6 on the road. Oversight of NHTSA is an essential part of this
7 subcommittee's work in protecting drivers across Michigan and
8 across the country. And with over 250 million vehicles on the
9 road transporting American families every day, today's oversight
10 hearing offers an important opportunity to evaluate NHTSA's
11 efforts in fulfilling its core mission of reducing traffic
12 fatalities and making sure that our nation's roadways and vehicles
13 are indeed safe.

14 In the past couple years we have seen NHTSA face many
15 challenges. The agency has struggled to collect and take action
16 on meaningful vehicle safety data and major recalls have come
17 sometimes way too late and often with an unclear message on how
18 to fix the problem. We are sadly all too familiar with the tragic
19 consequence of safety failures.

20 The Fixing America's Surface Transportation Act, signed into
21 law last year, included numerous reforms sponsored by members of
22 this subcommittee to address some of those challenges and improve
23 accountability, transparency, and efficiency at the agency. And
24 I thank Chairman Burgess for his leadership in that effort, and
25 I look forward to discussing the implementation progress of these

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1 reforms with the Administrator today.

2 I would note that while the FAST Act represents a positive
3 step forward in improving auto safety practices within NHTSA and
4 across the auto industry at large, there is still more that can
5 do, and should do. With low recall completion rates, the ongoing
6 Takata recalls, and cybersecurity issues, other reforms and
7 initiatives have to be considered to prevent further tragedies.
8 One problem that we have seen repeatedly is an agency struggling
9 to keep pace with next-generation automotive technologies.
10 Being from the auto state, I understand how innovation and
11 technological advances developed by the auto industry are
12 introducing greater complexities into today's vehicles. It is
13 tougher. It is.

14 However, it is NHTSA's responsibility and obligation to stay
15 on top of these developments and protect the driving public. Part
16 of the problem is a lack of good testing and research facilities
17 for connected and autonomous vehicles. Facilities like
18 Michigan's American Center for Mobility at Willow Run are critical
19 to policymakers' preparation and understanding of these advanced
20 technologies, with faster consumer adoption. Until we have an
21 accident-and-defect-free vehicle and roadway system, we can never
22 put too much emphasis on safety. And you can't have safety
23 without testing. I want to explore how we can move forward with
24 critical testing facilities like Willow Run which can secure
25 America's continued leadership in advanced automotive

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1 technologies but also protect American families on the road.

2 The automotive industry is vital to Michigan's economy, as
3 well as the country's. It drives innovation, job creation,
4 productivity, and economic advancement. Robust auto safety is
5 fundamental to that progress. We have to continue to work
6 together to enhance vehicle and roadway safety for our nation's
7 motorists.

8 And I yield the balance of my time to the vice-chair of the
9 committee, Marsha Blackburn.

10 Mrs. Blackburn. Thank you, Mr. Chairman. And we welcome
11 you. We are delighted to have you here before us today.

12 The Chairman mentioned safety. It is of prime importance
13 for us. We know that government can't guarantee 100 percent
14 safety but we know it is a goal we all should be striving toward
15 and we appreciate your willingness to work with us on safer
16 vehicles and a safer environment for those.

17 Chairman Burgess mentioned the Takata airbag hearing and we
18 look forward to an update on that. We are continuing to look at
19 that and to hear about this issue.

20 The driverless cars, the vehicle-to-vehicle communication,
21 I am hearing more about that and the automatic breaking systems.
22 We know that these are items that have the potential for saving
23 lives but we want to make certain that those communications are
24 secure, that they are not going to be able to be compromised by
25 malevolent actors. We are concerned about the hackings into

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1 these vehicles. So, we want to visit those issues with you.

2 Chairman Upton mentioned the importance of the auto industry
3 to Michigan, likewise in Tennessee with GM and Nissan, and Toyota.
4 My constituents are concerned about the decisions that you make,
5 the actions that you take, and we welcome you to the committee
6 again and I yield back.

7 Mr. Burgess. The chair thanks the gentlelady. The
8 gentlelady yields back.

9 The chair recognizes the ranking member of the full
10 committee, Mr. Pallone from New Jersey, 5 minutes for an opening
11 statement, please.

12 Mr. Pallone. Thank you, Chairman, for calling this hearing
13 so that we can discuss NHTSA's critical mission of making our roads
14 safer and how Congress can best support that mission. It is an
15 exciting time in the automotive world right now from
16 vehicle-to-vehicle communication, to self-parking cars, to
17 automatic braking. It seems we are in the midst of a major
18 technological shift in the way we drive our cars. And while some
19 may want to focus this hearing on the future of the automobile
20 and I do want to hear that NHTSA and industry have the tools and
21 skills necessary to deal with the ever-changing landscape, but
22 we must address the deficiencies that already are plaguing this
23 industry.

24 Over the last several years, we have seen massive and highly
25 publicized recalls for general motors ignition switches, Takata

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1 airbags, and Toyota unintended acceleration. Unfortunately,
2 2015 was another record-setting year for auto recalls which erodes
3 the public trust and the underlying defects put people in danger.

4 Just last night, we learned that yet another death had been
5 linked to a faulty Takata airbag. And while some recalls may
6 always occur, industry must take responsibility for its own
7 failures and do more to prevent safety deficiencies from putting
8 the public at risk. NHTSA also must stay ahead of the curve on
9 safety and that starts with having the willingness and conviction
10 to effect real change, both within NHTSA and throughout the
11 industry.

12 Last year was not only a record-setting year on recalls, we
13 also, unfortunately, saw a rise in traffic fatalities. According
14 to NHTSA projections, deaths increased 9.3 percent to 26,000
15 people in the first 9 months of 2015, compared with the same period
16 in 2014. There was also a 30 percent rise in serious injuries
17 in the first half of 2015, compared with the first half of 2014,
18 up to nearly 2.3 million serious injuries.

19 In January, the Department of Transportation announced an
20 agreement on safety principles between NHTSA and 18 major auto
21 manufacturers. While the agreement covers broad areas of auto
22 safety, it is severely lacking in meaningful details. It is
23 nothing more than an agreement to try to agree in the future. And
24 I also have serious reservations about the closed door process
25 by which this agreement was drafted and finalized and it concerns

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1 me that it lacks an enforcement mechanism to ensure that auto
2 makers follow through on their commitments, as vague as they may
3 be.

4 In the wake of an auto emissions scandal, a climbing recall
5 rate, and rising traffic fatalities, now is the time for greater
6 accountability, greater transparency, and better communication
7 between automakers and the agency charged with regulating them,
8 as well as the public, not just a set of voluntary principles.

9 Last year, Congress passed a transportation funding bill,
10 the FAST Act. That legislation was a missed opportunity to
11 address accountability, transparency, and communications. It
12 also should have dealt with used car safety, speeding up the recall
13 process, and eliminating regional recalls, among other things.

14 The Vehicle Safety Improvement Act of 2015, a bill that
15 Ranking Member Schakowsky mentioned and that I co-sponsored last
16 year, would make those changes and a lot more. Our bill is a
17 starting point to make sure that the millions of drivers and
18 passengers on our roads are kept safe.

19 This year is the 50th anniversary of the National Traffic
20 and Motor Vehicle Safety Act of 1966, the law that created NHTSA
21 with its mission of reducing deaths, injuries, and economic losses
22 resulting from motor vehicle crashes. The Auto Alliance has
23 stated that fatalities, as a share of miles traveled, are down
24 80 percent since the law's passage but we need to continue that
25 legacy and not move backwards. We are on our way towards

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1 incredible advances in the automotive space but we need to ensure
2 that consumers get there safely.

3 And I look forward to continuing our discussion about how
4 best to move forward on auto safety. Thank you, Mr. Chairman.

5 Mr. Burgess. The chair thanks the gentleman. The
6 gentleman yields back.

7 And that concludes members' opening statements. And the
8 chair would like to remind members that, pursuant to committee
9 rules, all members' opening statements will be made part of the
10 record.

11 And again, thanks to all of our witnesses on both panels for
12 being here today and taking the time to testify before the
13 subcommittee. We will have two panels. Each panel of witnesses
14 will have an opportunity to give an opening statement, followed
15 by questions from the members.

16 Once we conclude the questions on the first panel, there will
17 be a brief, underscore brief, recess to set up for the second
18 panel.

19 And our witness panel for today's panel includes, on the
20 first panel, Dr. Mark Rosekind, the Administrator of the National
21 Highway Traffic Safety Administration. And Mr. Rosekind, again,
22 thank you. We appreciate your being here today. We appreciate
23 your willingness to be available to members of the subcommittee.
24 We appreciate your making available coming to your facility and
25 looking to see what you and your fine folks do on a daily basis.

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1

You are now recognized for 5 minutes for an opening statement.

1 STATEMENT OF MR. MARK ROSEKIND, ADMINISTRATOR, NATIONAL HIGHWAY
2 TRAFFIC SAFETY ADMINISTRATION

3
4 Mr. Rosekind. Chairman Burgess, Ranking Member Schakowsky,
5 members of the committee, thank you for the opportunity to update
6 you on the National Highway Traffic Safety Administration's
7 efforts to save lives, prevent crashes, and reduce the economic
8 toll of fatalities on our roads.

9 The last year was one of the most eventful in NHTSA's 5-decade
10 history and this year promises to be just as significant.

11 In road safety, we face a large and tragically growing
12 challenge. We lost 32,675 on American roads in 2014. And as you
13 have all cited, our early estimates show that traffic fatalities
14 appear to have grown up by 9 percent in 2015. I believe that the
15 only acceptable goal is zero traffic deaths. Every American
16 should be able to drive, ride, or walk to their destination safely
17 every time. That is the goal that drives our work.

18 Earlier this year, Secretary Foxx announced the President's
19 proposed \$1.2 billion budget for NHTSA that includes important
20 investment in NHTSA's behavioral safety efforts and for
21 accelerating safety technologies, such as vehicle automation.
22 This funding will further support our efforts to build on the
23 progress we have already made in revamping our defects
24 investigations program. I strongly urge your support for the
25 President's budget proposal.

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1 I am going to begin with a topic that receives far less public
2 attention than it is due -- human behavior on the roads. A human
3 choice or error is responsible for 94 percent of all crashes.
4 Through decades of success, we know there are highly effective
5 methods to combat these unsafe behaviors but we also know that
6 simply doing more of the same will not get the job done.

7 In a series of 1-day traffic safety summits across the
8 country this year, we challenge stakeholders to develop new ideas
9 and innovative approaches to make our roads safer. Those efforts
10 will continue as we develop short- and long-term strategies to
11 eliminate traffic fatalities. NHTSA is also continuing to act
12 on multiple fronts to raise the level of safety in the vehicles
13 that are already on our roads. Through regulation, NHTSA has
14 issued a final rule requiring electronic stability control on
15 heavy vehicles and proposed rules to protect consumers from unsafe
16 novelty motorcycle helmets and to upgrade rear impact guards on
17 trucks and trailers. We are also working on a rule to require
18 the installation of speed limiters on heavy vehicles and a rule
19 on vehicle-to-vehicle communications, a technology that could
20 prevent tens of thousands of crashes every year.

21 NHTSA is also leading on vehicle safety beyond the regulatory
22 process. Last month, we joined auto manufacturers to announce
23 a historic commitment to put automatic emergency braking in a more
24 than 99 percent of all new cars by 2022. This agreement will make
25 this technology standard 3 years faster than if the agency had

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1 tried to achieve the same goal only through the regulatory
2 process, preventing thousands of crashes and saving lives.

3 Our proposed update to the 5 star safety ratings program will
4 put more information about vehicle safety in the hands of car
5 buyers. The updates add tougher crash test, will for the first
6 time rate vehicles on crash avoidance and will rate vehicles in
7 how well they prevent and mitigate the harm of pedestrian impacts.

8 NHTSA is leaning forward on autonomous vehicle technology.
9 This year, we will offer manufacturer operational deployment
10 guidance that outlines how autonomous vehicles should perform on
11 the roads. We will work with partners to provide model state
12 policy and we will identify new tools and authorities that NHTSA
13 may need so that we can be sure we meet our goal of encouraging
14 safe innovation.

15 While we look to the future, we must also maintain our focus
16 on safety today. In 2015, NHTSA initiated a record-setting
17 nearly 900 recall campaigns affecting about 51 million vehicles
18 and we also imposed record-setting penalties.

19 NHTSA has launched an unprecedented effort to coordinate and
20 accelerate the Takata recalls currently totaling 28.8 million
21 airbag inflators. Our coordinated remedy program issued to
22 Takata and the affected automakers accelerated the recall remedy
23 process by 2 years or more. This is, perhaps, the most aggressive
24 use of the agency's enforcement authority in its history.

25 While identifying defects and recalling vehicles is an

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1 important safety mission, we would prefer to avoid the problems
2 in the first place. In January, Secretary Foxx announced an
3 historic agreement with 18 auto manufacturers on a series of
4 concrete commitments to safety, including targeting 100 percent
5 remedy completion rates. This agreement could change the safety
6 conversation from reactive to proactive, helping us catch issues
7 sooner or prevent them from happening at all.

8 We were recently, and you have all mentioned this, tragically
9 reminded just how urgent this work is. Two weeks ago today, a
10 17-year-old driver lost her life after the Takata airbag inflator
11 in her car ruptured after a crash near Houston. The local sheriff
12 said that if it weren't for the rupture, she would have been able
13 to walk away from that crash. The inflator in her vehicle had
14 already been recalled but the repair had not been completed. We
15 all play a role in making sure another tragedy like this just
16 doesn't happen again.

17 We are going to hear NHTSA talk a lot in the next year about
18 proactive safety, about the need for all of us with a role in
19 protecting the public to make safety our highest priority. Doing
20 so will require new ways of thinking for NHTSA, for automakers
21 and suppliers, for dealers, for safety advocates, and for the
22 public.

23 I appreciate the opportunity to testify and I am pleased to
24 answer your questions.

25 [The statement by Mr. Rosekind follows:]

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1 Mr. Burgess. The chair thanks the gentleman for the
2 testimony.

3 I will begin by recognizing myself for 5 minutes for
4 questions. Again, I appreciate your being here today.

5 Can you tell us, since this last incident was so recent, and
6 I don't know that I have seen any sort of official write-up of
7 what occurred, but the airbag unit in question was under recall
8 but what was the difficulty in getting the recall information to
9 the end user?

10 Mr. Rosekind. Specific to that case, that was a 2011 recall
11 actually for a different manufacturing defect. The manufacturer
12 reported sending at least six notices to the family. The family
13 reports not receiving any of them and so that is being investigated
14 right now.

15 Mr. Burgess. Well, it certainly seems like we have
16 uncovered a weak spot in what should be the vehicle notification
17 and the user getting back to get the problem taken care of.

18 Is this a problem because this was a second or third owner
19 or was this the original of the car?

20 Mr. Rosekind. We believe it was a used vehicle. So,
21 multiple owners of the vehicle. And you have hit on it, which
22 is as much as currently being done to notify people, it is not
23 enough. And so we have been working with the automakers, we have
24 had our own programs. We have just established with the
25 independent monitor 19 new strategies, more robust ones for the

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1 automakers in Takata to go after informing people that they are
2 available.

3 We have our own, about a dozen activities that are going on
4 with NHTSA, including a new national campaign, safe cars save
5 lives, many different things. In spite of those, what we know
6 is it has not been enough.

7 I do want to thank you because every time you have been so
8 good about mentioning safercar.gov. And I will just say in the
9 last fatality, we saw a spike from 50,000 to 175,000 checks of
10 peoples' VIN numbers. So, we know that every time we make people
11 aware, they pay attention and that has the opportunity to save
12 more lives. I thank you. You have been so good about doing that.

13 Mr. Burgess. Well, let me ask you a question because I think
14 it was actually in this recently passed highway bill that we did
15 about a pilot program for state notification to consumers. I mean
16 in the State of Texas every year I have got to take my car somewhere
17 and the guy checks the turn signal. And I am happy to comply with
18 it because then I can drive my car for another year without getting
19 a traffic ticket. Is there any way to add the compliance with
20 recalls at the state level as part of the armamentarium of things
21 that they check, along with pollution and turn signals and tire
22 wear? Is it possible to add this information as well?

23 Mr. Rosekind. Yes and thank you for the FAST Act because
24 this is just one example of one of the elements that could help
25 promote better recalls. What you are identifying is a pilot

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1 program. Right now there is no procedure. There is no
2 technology or funding, basically, to figure out how to go and do
3 this. When you get your car registered, there is no way to notify
4 people.

5 So, what is great about the pilot program, up to six states
6 can work with us to figure out what the procedures need to be,
7 what technology needs to be in place, and basically how the
8 procedures are going to go to make sure that that happens
9 correctly.

10 And just to give you a feel, our VIN lookup is for consumers,
11 one person at a time. Here, we have already started interacting
12 with states and with the DMVs. You are looking at hundreds of
13 thousands of look ups potentially daily to get that work done.
14 We have to figure out how to do it. It could be a great touch
15 point to inform people.

16 Mr. Burgess. Somehow, when you make it important to people,
17 it can involve money and, instead of making it punitive, if there
18 was a proactive way, and this of course is probably a question
19 I need to ask the manufacturers, actually an incentive program
20 to comply with a vehicle safety recall if one has been identified.
21 And I could encourage, if there are any manufacturers who are
22 listening today to consider that approach as well.

23 I have got to ask you this because a little known fact,
24 because I am also chair of the motorcycle caucus and you mentioned
25 novelty motorcycle helmet problems. Can you tell me what the

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1 problem is there? I was not aware of that.

2 Mr. Rosekind. There is a group of manufacturers that put
3 out a novelty helmet that does not meet the standard. And so
4 basically, people put the helmet on thinking that they are
5 protecting themselves and it does not.

6 Mr. Burgess. And these are sold as motorcycle helmets?

7 Mr. Rosekind. Absolutely. And so if you didn't know what
8 you were buying and you just thought it looked different and cool,
9 thinking you were getting the same protection, you would not be.

10 Mr. Burgess. Is there a requirement that a motorcycle
11 helmet be placard? Would there be any way for a consumer to know
12 this is a NHTSA-approved, or a safety-approved device they have
13 purchased?

14 Mr. Rosekind. And there is a DOT label so that you would
15 know that it is correct. But these are manufactured and put out
16 there in certain places and so we are acting to try and take care
17 of that.

18 Mr. Burgess. But no label would be affixed to those. It
19 is not that there is a counterfeit label, there is no label.

20 Mr. Rosekind. It is different, depending on how people are
21 producing them. Most often, there is no label. And if people
22 don't know that they should be looking for that, they just think
23 it is a helmet that probably should be protecting them.

24 Mr. Burgess. All right. Well, full-service subcommittee,
25 I learned something new today and I hope our motorcycle public

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1 is paying attention and will only buy official helmets.

2 I recognize the ranking member of the subcommittee, 5 minutes
3 for questions, please.

4 Ms. Schakowsky. Thank you, Mr. Chairman and thank you, Dr.
5 Rosekind.

6 The massive ongoing recalls of Takata airbags have remained
7 a huge and complicated problem. And as was mentioned just
8 yesterday, NHTSA announced that 85 million more Takata airbags
9 could be recalled, unless Takata can prove that they are safe.

10 Dr. Rosekind, questions about Takata inflators are endless.
11 For example, consumers want to know how we can get accurate
12 information to better understand which inflators are going into
13 what cars. And recently, NHTSA stated that if a car company
14 cannot meet the requirement to acquire a sufficient supply of
15 remedy parts, the company should continue its quote, like for
16 like, unquote, replacing older defective airbags with newer but
17 identical bags.

18 So, my questions are these. Does that mean that the company
19 will be putting a potentially defective airbag into a car with
20 the hope that it is better just because it is newer? And is the
21 consumer told this important information at the time that the
22 airbag is replaced?

23 Mr. Rosekind. So, I need to begin by making sure everybody
24 understand since their inception, 42,000 lives have been saved
25 by airbags. That is the difficulty of this situation. A piece

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1 of safety equipment is putting people at risk.

2 So, what is now known, based on testing, is there are at least
3 five different factors that create the risk about a rupture that
4 has to do with temperature, moisture, time, the driver versus
5 passenger side, and whether it has desiccant or not, which is a
6 moisture-absorbing additive that can be placed in there.

7 So, one of the issues that you are talking about is that,
8 at this point, we are only seeing ruptures at 7 and 1/2 years.
9 And that is with all the other risk factors involved as well.

10 So, what you are talking about is right now with supplies,
11 there are a certain number that are being replaced that have at
12 least a 7 and 1/2 year timespan available for that safety to
13 protect people in the vehicle.

14 Ms. Schakowsky. So, is the consumer promised a later date
15 to come in and get a permanent remedy?

16 Mr. Rosekind. Absolutely. And you are hitting, in fact,
17 when we announced this recall, the hardest part, frankly, is you
18 have hit on one of the most difficult things, is you are talking
19 about people potentially having to come twice. Because what you
20 are describing is an interim remedy that will provide more safety
21 but they are going to have to come back for a second time. This
22 is why we have emphasized the 100 percent because you don't want
23 people to get that first one and think they are done.

24 Ms. Schakowsky. Right. There are news reports that
25 indicate that companies other than Takata are making replacement

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1 airbags. And are those suppliers making the inflators to the old
2 specifications or the new ones? And are these companies required
3 to make the inflators without ammonium nitrate?

4 Mr. Rosekind. There are three other manufacturers,
5 Autoliv, Daicel, and TRW. They now produce about 70 percent of
6 the inflators that are being currently produced for replacement.
7 None of them use ammonium nitrate.

8 Ms. Schakowsky. Okay.

9 Mr. Rosekind. None of them have had any safety problems
10 identified.

11 Ms. Schakowsky. And how does a consumer know if her car's
12 replacement airbag is a replica of the airbag that it was made
13 to replace and similarly, how does the consumer know whether the
14 new airbag she got in the last 2 years needs to be replaced? And
15 finally, how does she know whether the new one contains ammonium
16 nitrate-based propellants?

17 Mr. Rosekind. The simplest thing would be to go to
18 safercar.gov, do the VIN lookup, see whether or not your vehicle
19 is under a recall. If you go in and a dealer tells you that it
20 is the interim remedy, then you would know that you are going to
21 have to be called back again for that second fix.

22 Ms. Schakowsky. Safercar.gov.

23 I am troubled by the report that some auto manufacturers may
24 still be selling new vehicles with potentially defective Takata
25 inflators. What is NHTSA doing to ensure that all new cars are

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1 free of these airbags?

2 Mr. Rosekind. Well, it would be illegal to sell a known
3 defect in a new car. So, if you are aware of anything, let us
4 know because that is something we would go and investigate. So,
5 there should be no vehicles. Again, there are some that are
6 getting like for like. Right now the recalls, I think, go back
7 to 2014 but all those are being tracked because of that 7 and 1/2
8 year rupture time line.

9 Ms. Schakowsky. So you are unaware of any reports that some
10 auto manufacturers are doing that. Is that what you were saying?
11 You said I should inform you but have you heard that as well?

12 Mr. Rosekind. Right.

13 Ms. Schakowsky. No, you have not.

14 Mr. Rosekind. Unless it is something we know about,
15 because, again, there are some that haven't been recalled because
16 of the time.

17 Ms. Schakowsky. Okay.

18 Mr. Rosekind. But otherwise, we are not aware of any.

19 Ms. Schakowsky. Okay, thank you and I yield back.

20 Mr. Burgess. The gentlelady yields back. The chair thanks
21 the gentlelady. The chair recognizes the gentleman from
22 Illinois, Mr. Kinzinger, 5 minutes for questions, please.

23 Mr. Kinzinger. Thank you, Mr. Chairman.

24 And sir, thank you for being here and thank you for serving
25 the country in your capacity.

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1 Chairman, thanks for holding this hearing for us to continue
2 our committee's oversight of NHTSA and the review of related
3 safety issues within the automotive industry.

4 I would especially like to thank the chairman and committee
5 for their support and work to include my amendment in the FAST
6 Act. I believe it takes an important step forward to improve
7 vehicle safety by requiring automakers to provide more
8 information about defective components or parts involved in
9 safety recalls. Sharing defective part numbers and other
10 identifiable information with recyclers will improve safety and
11 aid NHTSA in its goal to improve recall completion rates.

12 Sir, Section 24(11)(6) of the FAST Act requires automakers
13 to furnish additional information in their 575 reports, such as
14 the name of the component, a description of the component and the
15 part number. Do you have any information what is the status of
16 implementation of this section?

17 Mr. Rosekind. Yes, an important component, if you will, of
18 that Act. And so name, description, and part number already
19 underway to include that according to what is in the FAST Act.

20 Mr. Kinzinger. Okay and do you know, does it require a
21 rulemaking?

22 Mr. Rosekind. Yes.

23 Mr. Kinzinger. All right. And as NHTSA reached out to
24 stakeholders, such as the Automotive Recyclers Association for
25 technical assistance and input on implementing this section?

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1 Mr. Rosekind. And they have been very forthcoming. They
2 have already come to meet with us to help us be more explicit about
3 what needs to get done.

4 Mr. Kinzinger. Good. And you feel like that is a good
5 relationship?

6 Mr. Rosekind. Very productive interactions.

7 Mr. Kinzinger. Okay, great. Has any information been
8 received from the OEMs under this section of the new law?

9 Mr. Rosekind. Any?

10 Mr. Kinzinger. Any new information? Any information been
11 received from them under this?

12 Mr. Rosekind. We are still in the produce it phase.

13 Mr. Kinzinger. Okay.

14 Mr. Rosekind. But we will interact with them as well to make
15 sure that what we produce is something they can fulfill.

16 Mr. Kinzinger. And do you have any idea like kind of the
17 timeline on this right now?

18 Mr. Rosekind. I mean tell you for sure we will meet the FAST
19 Act requirement.

20 Mr. Kinzinger. Okay. And then how will the information
21 supplied through this section of the law be available to the public
22 or the stakeholders? I mean ideally, are you going to have it
23 like a static PDF form, electronic database? Is there anything
24 that you kind of foresee?

25 Mr. Rosekind. Well and that is the part that is trying to

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1 be figured out.

2 Mr. Kinzinger. Okay.

3 Mr. Rosekind. And that is not just with the recyclers. But
4 again, the form that we asked the OEMs to provide that information
5 obviously can facilitate how we can make that information
6 available. That is the part that is being worked on now.

7 Mr. Kinzinger. Okay, good. Well, I appreciate you all
8 working on it. My office will continue to ensure that everything
9 is going correctly and appreciate your service.

10 Mr. Chairman, that is all I have for this witness. I
11 appreciate it.

12 Mr. Burgess. The gentleman yields back. The chair thanks
13 the gentleman.

14 The chair recognizes Ms. Clarke from New York, 5 minutes.
15 Your questions, please.

16 Ms. Clarke. I thank the chairman. I thank the ranking
17 member.

18 Thank you, Dr. Rosekind for coming in today. Am I
19 pronouncing your name correctly?

20 Mr. Rosekind. Rosekind.

21 Ms. Clarke. Rosekind. Okay. That was the Brooklyn
22 pronunciation.

23 I think it is safe to assume that cars are going to continue
24 to come equipped with more technological features going forward.
25 Connections exist through popular telematic systems, such as

1 OnStar and built-in entertainment and navigation systems. But
2 as we have heard in numerous hearings in this subcommittee,
3 covering different aspects of the internet of things, if a product
4 can connect to the internet, that product is going to be a target
5 for hackers.

6 Dr. Rosekind, what is NHTSA doing to ensure that the growing
7 number of connected features in cars don't become new entry points
8 for hackers? What are the consequences for automakers that do
9 not have robust cybersecurity? And does NHTSA have plans to
10 pursue a rulemaking on cybersecurity?

11 Mr. Rosekind. So, let me start with the consequences. Last
12 July, there was a highly visible hack of a jeep, which was at least
13 planned. So, there has been no malicious hack of any vehicle yet.
14 But we highlighted that it is no longer a concept. It is real.
15 And I point that out because without any change in our authorities,
16 et cetera, within days a defect was called and a recall was
17 underway. So, we are going to act aggressively and get on those
18 when possible.

19 But you are bringing up an issue which is the more connected
20 everything is, the more cybersecurity becomes critical. NHTSA
21 has actually been on this since 2012, where we created an office
22 specifically focused on it. This is my chance to thank everybody
23 for their support in the FAST Act.

24 We have about seven engineers on this, four in Washington,
25 three in Ohio. The FAST Act is going to let us add up to 20 new

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1 engineers to deal with this and they are looking at a broad range
2 from how you protect things to one of our recent focus on research
3 is looking specifically at what are the data elements you would
4 actually have to collect to see that hacking attempts were
5 ongoing. And so there is a very active research program that is
6 going on, as well as a lot of others.

7 We have published a cybersecurity piece on our policy. We
8 are developing some new program elements. January, we held a
9 meeting with over 300 folks coming together, manufacturers, as
10 well as independent researchers to get to look at these sorts of
11 things.

12 Specifically to your question, this is an area where we need
13 to figure out to how to sort of cut that middle line, which is
14 we talk about nimble and flexible for cybersecurity. If you come
15 out with a rule today, by tomorrow, it could be out of date. And
16 yet at the same time, you need some best practices and potentially
17 rules to establish certain kinds of hard protections and things.
18 So, I think this is an area that you are going to have see a variety
19 of different techniques used to get the full kind of protection
20 the American public is going to expect.

21 Ms. Clarke. Very well. As you refer to the Jeep experiment
22 with the two researchers, Dr. Rosekind, when it comes to cars,
23 cybersecurity isn't about data. It can really be about safety
24 issues, can't it? A joint bulletin that NHTSA released with the
25 FBI a month ago said that consumers should take appropriate steps

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1 to minimize risk with respect to hacking. Can you explain what
2 some of those steps might be?

3 Mr. Rosekind. Yes, and thank you because you are right, our
4 focus is primarily on the safety. And that hack that was done
5 on the Jeep last July specifically dealt with control systems of
6 the vehicle and that is where the safety concern comes.

7 And yes, thanks for acknowledging the collaboration with the
8 FBI and putting that out. And that had a lot of straightforward
9 things that all of us can do, which is just be careful about what
10 you hook up to your entertainment systems. So that Jeep hack
11 actually went through their entertainment system, for example.

12 And I think all of us basically can think about all the things
13 that we attach to our vehicles, whether you are nowadays a huge
14 number connected to the web, if you are out there searching, you
15 have a chance not just for a virus come and be difficult for you
16 but literally to get into your systems.

17 So, there is a nice list of things in that press release that
18 was put out, basically cautioning people. If you think about it,
19 you would want to do the same things you would do for your home
20 computer to protect yourself, to think about your car in the same
21 way.

22 Ms. Clarke. I thank you.

23 Mr. Chairman, I yield back the balance of my time.

24 Mr. Burgess. The gentlelady yields back. The chair thanks
25 the gentlelady.

1 The chair recognizes gentlelady from Indiana, Mrs. Brooks,
2 5 minutes for questions, please.

3 Mrs. Brooks. Thank you, Mr. Chairman.

4 I consider my district actually the auto auction capital of
5 the United States. Car Auction Services, which is headquartered
6 in my district is the second largest auto auction company in North
7 America, selling over four million vehicles a year, employs 14,000
8 people in all 50 states. And I also, in north of Indianapolis,
9 in Carmel, have NextGear Capital, just expanding their
10 headquarters in Carmel. And I have been to their facility where
11 they serve over 20,000 auto dealers who depend on them for \$13
12 billion in capital to fund their auction purchases.

13 They tell me they, of course, want to help protect people
14 by ensuring that they know that their customers know of car defects
15 before they buy. But right now, safecar.gov only allows
16 customers to search VIN numbers one at a time to check for recalls.
17 With over 9 million cars sold at auction every year, auto auctions
18 simply don't have the manpower or the resources to tediously input
19 every single number. And so by allowing auto auctions to run
20 every car in their lot for recall notices in one query, the
21 consumer would be more equipped to make better decisions, higher
22 successful recall rates and, ultimately fewer accidents on the
23 road.

24 And, obviously, we have been talking about the FAST Act
25 passed last year and it studied the feasibility of searching

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1 multiple VIN numbers at the same time and the feasibility of making
2 the search mechanism for the event. Can you give me an update
3 on the progress you have made and NHTSA's made with respect to
4 the search of multiple numbers at once and what hurdles do you
5 still face?

6 Mr. Rosekind. And actually, you have just described them,
7 which is the NHTSA lookup is a tool for consumers. And we don't
8 even actually maintain a database. That is really just tapping
9 the auto manufacturers who control their VIN databases.

10 So, we know there is a great need and interest in having what
11 is called batch or bulk lookups so that you could do it as a group.
12 And the auction houses, new dealerships, all kinds of folks would
13 really benefit by that. So, we have met with folks and I think
14 the biggest thing that we are seeing is the technology challenge,
15 as you are talking about, the creation of some mechanism. As I
16 just said we don't even keep the database, we go to the
17 manufacturers. How would you create a mechanism, basically,
18 technologically so you could have those bulk requests going to
19 multiple manufacturers in a very short time frame and providing
20 that bulk answer, basically, to whomever the requestor is.

21 I think at most, at this point, is the technology challenge
22 and, clearly, how it would get funded is unclear as well.
23 Everybody is sort of pointing to that.

24 There are three commercial entities that exist that do that.
25 Carfax is one of them. I can get you the other two, if you would

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1 like.

2 And so we are looking. We met in July, again, frankly, to
3 talk about what would happen. I think the technology is the
4 biggest piece right now because no one quite has an answer of how
5 to pull that off.

6 Mrs. Brooks. But isn't part of our challenge that we have
7 so many people who do purchase vehicles that are moving through
8 the auto auctions? And so consumers, it is very, very difficult
9 for them to know if they are getting one of these cars that has
10 one of these problems.

11 Mr. Rosekind. Absolutely and just two things. One is when
12 I say there is a technological challenge, that doesn't mean we
13 aren't off of it. It actually means that we are trying to be more
14 aggressive to figure out how could you fix that issue. And you
15 have hit on another issue, which the FAST Act addressed for rental
16 cars. But in used cars, people can still sell those without
17 having the recall remedied. So, that is one of the ways to get
18 to those.

19 And that is why I say we met in July and we are still meeting
20 with them to see if we can figure out what the technological
21 solution could be.

22 Mrs. Brooks. Okay. I certainly hope that some of your
23 engineers working on cyber issues, may be with all of that
24 brainpower of those engineers, maybe can also be tasked to have
25 that as a topic.

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1 I want to turn to a different topic right now. Last year
2 or this past month, rather, a Griffith High School boys basketball
3 team was traveling to a semi-state championship. A driver
4 sideswiped their bus and the bus flipped and overturned, as they
5 were on the way to their semi-state game. None of the children
6 were seriously injured. However, it reminds us about the
7 importance of getting seatbelts on school buses.

8 And last September, you announced a series of steps designed
9 to move the nation toward providing more seatbelts to students
10 on school buses. Can you please tell us about the research
11 projects, the data collection, stakeholder outreach, what is
12 going on with respect to this project?

13 Mr. Rosekind. I can't thank you enough for raising that
14 question. There are so many headlines that people want to talk
15 about. That is one for 4 decades there has been debate out putting
16 seatbelts on school buses. And yes, it is a clear departure for
17 NHTSA to come out and basically say three-point belts would add
18 -- the big yellow bus is the safest way to get to and from. Can
19 you make it safer? Absolutely. So, we have already had a 1-day
20 meeting to talk about how to make that happen. We have identified
21 the fact that it is not just about seatbelts on the bus, it is
22 around the bus. So, we are looking at everything from the red
23 lights on the arms to guards that help people pass in front.

24 We are looking at all those different things, including our
25 most recent meeting about a month ago, where we pulled the six

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1 states that do have laws related to seatbelts in to figure out
2 what they are doing and how we could helpfully try and scale that
3 to the rest of the country.

4 So, we are on that trying to figure out anything we can do
5 to support three-point seatbelts on school buses.

6 Mrs. Brooks. Thank you for your service. My time is up.
7 I yield back.

8 Mr. Burgess. The chair thanks the gentlelady. The
9 gentlelady yields back.

10 The chair recognizes the gentleman from New Jersey, the
11 ranking member of the full committee, Mr. Pallone, for 5 minutes
12 for questions, please.

13 Mr. Pallone. Thank you, Mr. Chairman.

14 As others have mentioned today, in January DOT and 18
15 automakers reached an agreement known as the Proactive Safety
16 Principles and I am glad to see auto manufacturers and DOT try
17 to work proactively on vehicle safety. But frankly, I have doubts
18 about these principles.

19 The principles are simply a promise to try to work together
20 in the future. There is no substance. And even if there were,
21 there is no enforcement to ensure that the automakers keep their
22 commitments. So, I wanted to ask you, Dr. Rosekind, can you
23 assure me that these principles are meaningful in some way, that
24 these principles are more than a PR stunt to shift the focus away
25 from the major safety crisis of the past few years?

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1 Mr. Rosekind. And you are absolutely correct, it is not a
2 regulation and they are not enforceable. And I can tell you in
3 April we had a meeting for the very first time to discuss with
4 the automakers 100 percent recall completion rate as a target.

5 That is now included in that Proactive Principle. Never
6 before has -- everyone has always talked about let's get 75 percent
7 because that is the average. We are now talking about 100 percent
8 should be that target. That is in there. Can everybody do more?
9 Absolutely, but now we have a new target that is already in there.

10 I think the automatic emergency braking that we see happen
11 is another proactive one and in the cybersecurity area, Chrysler
12 actually, in May, is having their own 2-day just industry meeting
13 to focus on things. That wasn't intended to be a regulation. It
14 wasn't intended for enforcement. We are going to use all the
15 enforcement and regulatory authority we have. We are not giving
16 anything up.

17 My concern is the 32,675 and that we are looking at a nine
18 percent increase this year. And we all know if we keep doing the
19 same thing, we cannot expect a different outcome.

20 So, we will continue doing everything we know that works.
21 We will figure out ways to do it better but NHTSA is looking for
22 every other tool that we can find that could help save a life.

23 Mr. Pallone. All right. But in addition, and I appreciate
24 that because I think that even though you are admitting that there
25 is no enforcement mechanisms per se, that you are going to try

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1 to use other measure that you have to do that.

2 In addition to the lack of enforcement, though, I also have
3 reservations about the closed door process that NHTSA has been
4 engaging with recently. With regard to the Proactive Safety
5 Principles, were any auto safety advocates directly involved in
6 crafting the principles?

7 Mr. Rosekind. That process started on December first when
8 Secretary Foxx called all the COs in because of all the recall
9 and safety problems going on in the industry. It was clearly
10 beyond just breaking issues and issue of the safety culture in
11 the industry. He called them in and said we need to do something
12 different. And 6 weeks later, that agreement emerged among them,
13 basically, to come up with these principles in those four areas.
14 So, that started with a meeting with the automakers. Six weeks
15 later, through the holidays, frankly, is when it actually came
16 together. So, there was, again, there was not a public process.
17 That was come in; what are you going to change? And that was
18 agreement that came together.

19 And I will say it again. It is not intended to be a
20 regulation. It is not intended to be enforcement but everybody
21 is watching and we already have some concrete things like that
22 agreement looking to target 100 percent completion. Activity is
23 already going on. Cybersecurity already being advanced. We
24 have a safety meeting coming up, next week, basically, where we
25 are going to be looking at how to take aviation lessons learned

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1 and apply them to the auto industry. So, in that agreement, it
2 talks about anonymous sharing of safety data. That meeting to
3 start that process is actually happening next Friday. They are
4 concrete actions and we are watching.

5 Mr. Pallone. So, I mean there weren't any auto safety
6 advocates directly involved. But I mean how are you going to try
7 to get them involved? What are you going to do?

8 Mr. Rosekind. That agreement is public. It is out there.
9 The activities, basically, are aware. So, anybody can have input
10 into what is going on. And that, again, was an agreement of the
11 manufacturers to proactively move things forward.

12 Mr. Pallone. So, I mean there wasn't any public comment
13 period for the Proactive Safety Principles.

14 Mr. Rosekind. It was not a regulation. It is not intended
15 to be enforced.

16 Mr. Pallone. No, I understand. I mean I appreciate your
17 honesty about lack of enforcement, lack of involvement of the auto
18 safety advocates. Lack of a comment period. I mean I don't think
19 that is good but I appreciate your honesty.

20 But how are we going to -- we don't want to have similar
21 agreements like this in the future. I mean I think it is important
22 to involve the public safety advocates. It is important to have
23 public comments, a public comment period prior to finalization.
24 So, I mean can you make some commitment to us that in the future
25 you will try to do that or what can you tell us that makes me feel

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1 a little better about the lack of all this?

2 Mr. Rosekind. Well, NHTSA is going to look for all the tools
3 that are available. And that means we are going to have as much
4 interaction with a full range of safety advocates for all the
5 activities that are going on. And, frankly, some of the process
6 have clear elements where notice in comment for rulemaking, there
7 are opportunities for everybody to get involved in the public
8 docket, et cetera. There are always going to be other activities
9 that go on that certain groups aren't going to be involved in.

10 Mr. Pallone. I mean I guess my concern -- I know that my
11 time has run out, Mr. Chairman -- is that these voluntary good
12 practices on the part of business are certainly something we hope
13 for but the rulemaking process exists for a reason and mandatory
14 safety standards have prevented more than 600,000 deaths since
15 the 1960s.

16 So, I don't want the agency moving away from mandatory
17 standards. That is my concern.

18 Mr. Rosekind. And that is why I can state absolutely
19 emphatically that we will continue to regulate and enforce as we
20 need to and we are looking at and we want to expand and add to
21 our tool set that we can try and see progress on safety.

22 Mr. Pallone. All right, thank you. Thank you, Mr.
23 Chairman.

24 Mr. Burgess. The chair thanks the gentleman. The
25 gentleman yields back.

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1 The chair recognizes the gentleman from Kentucky, Mr.
2 Guthrie, 5 minutes for questions, please.

3 Mr. Guthrie. Thank you, Mr. Chairman. Thank you
4 Administrator Rosekind for testifying.

5 It is my understanding that what is sometimes called the One
6 Nation Program, referring to fuel economy regulations was
7 intended to coordinate or harmonize various federal, state, and
8 state regulations as much as possible. Since there are
9 effectively three separate sets of regulations for EPA, NHTSA and
10 state regulation, it has come to my attention that differences
11 between even the federal programs make compliance more difficult.

12 First, do you agree that the development of the One Nation
13 Program was to provide consistency and certainly for automakers?

14 Mr. Rosekind. Yes, among those three groups that you
15 highlighted, NHTSA, EPA and especially the California Air
16 Resource Board.

17 Mr. Guthrie. Okay. Are you aware of the differences
18 between programs that affects stringency and possible compliance?

19 Mr. Rosekind. Are there specific ones?

20 Mr. Guthrie. Well one, if I am not mistaken, EPA credits
21 can have a useable life of up to 10 years versus NHTSA credits
22 have an up to 5 year of life. So, because of that difference,
23 then somebody could be -- an EPA credit could be compliant with
24 EPA but not compliant with NHTSA. Is that a conflict?

25 Do you see that or is that something you are working through?

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1 Mr. Rosekind. Two things. One is I would say that if there
2 is a specific instance that somebody is sort of questioning where
3 that inconsistency is, I would love to see that so we can see sort
4 of what is actually going on there.

5 Mr. Guthrie. Okay.

6 Mr. Rosekind. But the other thing, to the question about
7 consistency more generally is there is a mid-term review that is
8 coming up, where we will be putting out a technical assessment
9 report so that we can basically take a look at how that is doing
10 and a draft report will come out for exactly those kinds of
11 comments that people can address.

12 Mr. Guthrie. Okay. That was a specific instance.
13 Somebody could come to me and say that they have been written up
14 for being compliant with one or the other but they look at the
15 standard and say they were --

16 Mr. Rosekind. Importantly, in that mid-term review, there
17 will be a draft that everybody can comment.

18 Mr. Guthrie. Okay, we will follow-up specific on that,
19 then.

20 So, shifting to recalls and focusing on the millions of
21 motorists and occupants who are driving or riding in vehicles
22 under open recall, and what is the status of the new recall media
23 campaign you announced last September?

24 Mr. Rosekind. So, there have actually been a variety of
25 activities going on. That one is Safe Cars Save Lives and we are

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1 doing media buys. And NHTSA is the agency that has Click It or
2 Ticket; Drive Sober or Get Pulled Over; You Drive, You Text, You
3 Pay. We have these national campaigns we do. This is a new one
4 focused specifically on recalls.

5 The other two things I will just mention quickly are, besides
6 our activities going on, the automobile associations are doing
7 research and looking at other mechanisms, things like contacting
8 the insurance companies so that when you not just register your
9 card but when you touch your insurance company, another touch
10 point. And then the independent monitor with us is also working
11 with Takata and all the manufacturers affected. As part of the
12 consent order, they are required to give us their outreach plan.
13 And so that way, we can actually look at it. And we have come
14 up with almost 20 new robust strategies for them to pursue, along
15 with about a dozen things that we already have underway.

16 Mr. Guthrie. You know Takata, obviously, is a case, the
17 recall obviously is different but there are a lot of recalls for
18 a lot of different reasons. Do you look at like recall fatigue?
19 Like your door handle needs to be readjusted or I mean, I have
20 heard -- I have never seen one something specific but people say
21 if there is a typo in an owner's manual, you get a recall notice
22 on that. I haven't personally seen that one so I can't say. But
23 I do see recalls that come through cars that I have and I say I
24 will get around to that one because it is a screw in the chair
25 seat or something like that versus, obviously, Takata, that is

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1 safety.

2 Is there a way you try to or are concerned about people
3 continuing getting recalls and then all of a sudden one is more
4 serious than others and I guess recall fatigue?

5 Mr. Rosekind. Absolutely and I think that has been the
6 problems with the headlines is people get so many notices,
7 potentially, when you are looking at, I mentioned a number, but
8 last year in 2015, it was 900. The year before we are talking
9 about 51 million vehicles being affected.

10 And so yes, consumers, just knowing that that is something
11 they need to pay attention to is a challenge. And then if you
12 are getting multiple ones for different cars, that is a real
13 problem. That is why we are trying to come up with new strategies,
14 new approaches. While there is a lot of activity going on, I think
15 the tragedy from a couple of weeks ago shows we have got to do
16 more.

17 Mr. Guthrie. Absolutely. And then I only have 19 seconds
18 but you said publicly and your staff has said that auto safety
19 technologies may have environmental benefits that would reduce
20 greenhouse gases. Can you give a couple of examples of that in
21 8 seconds? Sorry.

22 Mr. Rosekind. Engines that are more efficient.

23 Mr. Burgess. The chair thanks the gentleman. The
24 gentleman yields back.

25 The chair recognizes the gentleman from Oklahoma, Mr.

1 Mullin, 5 minutes for questions, please.

2 Mr. Mullin. Thank you, Mr. Chairman.

3 Sir, thank you for being here. It is very impressive, your
4 command and knowledge of NHTSA. I think the whole time you have
5 been there I haven't seen you even look back at anybody behind
6 you or even look at a note. So, I will commend you for that. I
7 am not capable of doing that.

8 I just want to run a little bit on the recalls. You know,
9 unfortunately, we heard of the young lady that lost her life and
10 that has been brought up and talked about. There were some
11 questions about how the vehicle is registered. I get that, too.
12 But I have, on multiple vehicles, over time, and I still get
13 recalls from vehicles that I owned years ago. Is there not --
14 unless I am mistaken, I thought the DMVs were supposed to notify
15 or help notify the individuals when they are registered with them
16 of recalls. But is the DMVs communicating with the manufacturers
17 to let them know that the vehicles change hands, some way to get
18 those notifications farther out there? Because what we are
19 having is obviously it is not being effective. And I understand
20 the responsibility of the driver but, at the same time, when you
21 a buy a vehicle or used, you assume everything is perfect on it.
22 You are not looking for recalls. If you are looking for recalls,
23 you would have never purchased the vehicle.

24 So, is there communications with the state, with the
25 manufacturer, with the DMVs? What is that communication like?

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1 Mr. Rosekind. There should be but you have just hit on,
2 besides things like fatigue recalls -- recall fatigue, you are
3 hitting on another issue, which is where in the communication did
4 that break down. Because one of the concerns you are just raising
5 is when there is a multiple buyer, you have the used car has been
6 bought by multiple buyers over time, there is the assumption that
7 somehow that transition of ownership has been taken care of, that
8 all the appropriate information has been passed on. That is not
9 always tracked. And so now you are looking at the whole system,
10 DMV, the manufacturer, where the notices go out, even if they have
11 updated information on the owner and make sure that they are
12 sending it to the right address where you actually live.

13 So, you have just hit on another issue that we are trying
14 to unravel, to sort of figure out where all those touch points
15 could be. That is why there is the interest in the DMV pilot.
16 Is that something if you are going to register the car we could
17 get you again?

18 And I would actually like to use you in ad because you have
19 got it. If you buy a new car, a used car, a rental car, your
20 assumption is that it has no outstanding recalls.

21 Mr. Mullin. Right.

22 Mr. Rosekind. But that is not the case.

23 Mr. Mullin. And the other breakdown, too, you can't -- I
24 have a fleet of vehicles and several mechanics that work for us
25 in our companies. And you can't work on a car anymore without

1 plugging it into a computer. It would seem that there would be
2 a way for a notification to come up on the vehicle and everything
3 that is connected the way that it is that there is a recall,
4 regardless if the manufacturer is working on it at a certified
5 GM mechanic or the mechanic down the road. You would think that
6 would be a way for it to communicate because everybody has got
7 to take their vehicles in and get the oils changed. Very few
8 people are changing their oil now in their driveway. That might
9 be a way.

10 And I am open to discussing it further with you of maybe some
11 simple ways that we might be able to come up with some more
12 communication, more ways for just the average consumer to be able
13 to get the technology or the information that they need.

14 I want to go back to Mrs. Brooks and bring up the school bus
15 issue. I have five kids that go to public school from 12 to 5
16 years of age. They are going to be there for a while. And they
17 are on a school bus all the time. The question is, though, I don't
18 think any school is arguing the fact they want to put seatbelts
19 in the school buses. It is that they can't afford it.

20 So, is NHTSA looking at a program to help the schools?
21 Because if we just mandate it for the schools to do it, they can't
22 -- I mean schools are having issues with revenue left and right.
23 We continuously put unfunded mandates on the school systems and
24 you are not going to find a teacher, a superintendent, or someone
25 elected to the school board that is going to argue the point that

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1 they don't want seatbelts in the school buses. But we have got
2 to have some type of program to incentify them to be able to do
3 it and funding that goes along with it.

4 Mr. Rosekind. And we are looking at all those
5 possibilities. And to your point, we don't want school districts
6 to make the choice to not provide that safe school bus because
7 of their concern about the seat belts. That is, again, one of
8 those fine lines we have to tread. That is why we came out with
9 a policy but without the mandate at this point, trying to figure
10 out how other states and school systems have done it and we have
11 met folks where they didn't have the funds but they made a decision
12 in the district to only order new buses with three-point belts.
13 They found a way to pull it off.

14 Mr. Mullin. Well, you can order new buses that way. It is
15 the old buses. And we know how expensive the new buses are. How
16 long is it going to take to get the old buses off the roads? You
17 are talking about years at that point.

18 I am out of time. Sir, thank you for being here. I really
19 do appreciate it. I yield back.

20 Mr. Burgess. The gentleman yields back. The chair thanks
21 the gentleman.

22 The chair would recognize Ms. Schakowsky from Illinois for
23 a redirect.

24 The chair will recognize himself for the opportunity for
25 redirection to the Administrator for the National Highway Traffic

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1 Safety Administration.

2 There is something that has come up relatively recently that
3 I hear on car shows on Saturday morning and that is the issue of
4 the seat back integrity. We put our children in car seats. We
5 put them in the rear seat. But in some vehicle crashes the seat
6 integrity of the seat back is what fails putting the adult then
7 in the compartment with the child and the child is then injured.
8 Is this something that you are looking into currently?

9 Mr. Rosekind. Yes and fortunately, severe rear impacts,
10 severe, are fairly rare. And then when someone is specifically
11 injured, trying to determine was it specifically the seat back
12 strength is more rare. Which just means trying to get the data
13 to figure out the safety benefit and other benefit determinations,
14 these things can be challenging. But we are looking at from a
15 potential regulatory standpoint and from a research standpoint.
16 So, even if we don't have the real world data, we are looking at
17 actually a new test dummy that would allow us to collect better
18 data to make that kind of determination, which we would have to
19 do to come out with a regulation in that area.

20 Mr. Burgess. Very well.

21 And then another unusual thing that happened in the North
22 Texas area the day after Christmas, we had a very severe tornado.
23 It blew it suddenly. It came at nighttime. Difficult to let
24 people know it is coming. The greatest loss of life occurred on
25 a tollway overpass, not people getting under it to get out of the

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1 path of the storm, which I recognize is a bad idea because of the
2 Venturi effect under the overpass, but these were people actually
3 travel over the overpass and they got pulled off the road and,
4 obviously, there were multiple fatalities.

5 Department of Transportation has lighted signs that they put
6 up and, as you alluded to, the Click It or Ticket, or Drive Sober
7 or Get Pulled Over, sometimes there will be traffic warnings. Is
8 there any thought to providing timely weather warnings? The
9 hailstorm we just had a few days ago in my area, this tornado the
10 day after Christmas, people that are -- I would like to say that
11 everybody is listening to the weather warning station at that
12 point but we know they are not. They are listening to their sound
13 systems. Is there anything additionally we can do?

14 This was kind of a new phenomenon, something I had not seen
15 before, but people, again, literally sucked off the overpass and
16 thrown into the lake and, again, with great loss of life.

17 Mr. Rosekind. You have just said it, which is we use those
18 signs for a lot of different things. And I will go and talk to
19 Greg Nadeau, who is the Administrator of the Federal Highway
20 Administration and see if that kind of information could be added
21 to what is transmitted to the drivers.

22 Mr. Burgess. I appreciate that. Do you mind if I go to Mr.
23 Bilirakis first?

24 Ms. Schakowsky. No, that is fine.

25 Mr. Burgess. Okay. The Chair recognizes Mr. Bilirakis, 5

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1 minutes for questions.

2 Mr. Bilirakis. Thank you so much, Mr. Chairman. I
3 appreciate it.

4 Administrator Rosekind, where do we stand currently with the
5 V2V? Well, if you can tell me that. And then elaborate a little
6 bit how it is going to work.

7 Mr. Rosekind. Sure. Let's start with people talk about
8 either or, connected vehicles or autonomous self-driving
9 vehicles. The Department of Transportation thinks of this as
10 connected automation. It is really both because they both give
11 you sort of added safety.

12 Connected vehicles are basically V2V, vehicle-to-vehicle,
13 vehicle-to-infrastructure, V2X, anything else, or basically they
14 are all going to be able to talk. What we know is that studies
15 so far suggest that even two applications of V2V could prevent
16 600,000 crashes and save 1,000 lives. So, it has huge
17 opportunity. Overall, potentially 80 percent of crashes that
18 don't involve an impaired driver could be prevented with V2V.

19 So, we have, actually, introduced a rulemaking which has been
20 accepted by OMB for review just to try and set up a consistent
21 piece of equipment that would be used for the whole system in the
22 United States.

23 Mr. Bilirakis. Okay. Well, when do you anticipate this
24 being online or your know our constituents availability? Give
25 me a time line on that.

1 Mr. Rosekind. Right now, it has been accepted by OMB and
2 is under review. So, that is kind of where we are, answering their
3 questions.

4 Mr. Bilirakis. So, 1 year, 2 years, any kind of an estimate?

5 Mr. Rosekind. I can tell you that the proposal is to have
6 it out -- I will check the final date in the proposal. We have
7 a specific in the proposal for when it will be on the road. My
8 caution is just to say that our piece has it out proposed, it is
9 currently under review at Office of Management and Budget.

10 Mr. Bilirakis. Thank you. Next question.

11 NHTSA has announced several initiatives and workshops on
12 numerous issues over the last 6 months and plans to complete work
13 on these topics prior to the end of the administration. Is that
14 correct?

15 Mr. Rosekind. Yes.

16 Mr. Bilirakis. Okay. How are you ensuring adequate work
17 and thorough stakeholder engagement is done on these important
18 issues before the final actions are taken?

19 Mr. Rosekind. Well, for a variety of the activities, they
20 are, in fact, open public meetings. So retooling recalls was
21 open. We have others, cognitive distraction that have been live
22 webcasts for things.

23 Right now the Secretary has announced in 6 months NHTSA is
24 going to put out several things if you like to talk about
25 autonomous vehicles. We just held the first public meeting on

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1 that last Friday. There is another one April 27th in California.
2 There is an open docket for that.

3 So, for activities that are leading to specific products,
4 there is both some transparency and involvement from
5 stakeholders.

6 Mr. Bilirakis. Very good. Thank you.

7 What are the key takeaways from the cybersecurity roundtable
8 that NHTSA held in January?

9 Mr. Rosekind. Fascinating exchange because we had
10 manufacturers in there with independent researchers and pretty
11 much the whole mix. And I would just say one, it was fascinating
12 to see that everybody thought you needed nimble and flexible,
13 cautious about regulations because they could be outdated
14 cybersecurity-wise before they are even in place. And the other
15 is that everybody identified this is critical not just for
16 protection but for the trust of the American people to see these
17 automation things get on the road.

18 Mr. Bilirakis. Okay, very good. Thank you.

19 Thank you, Mr. Chairman. I yield back.

20 Mr. Burgess. The chair thanks the gentleman. The
21 gentleman yields back.

22 The chair recognizes the gentleman from California, Mr.
23 Cardenas, 5 minutes for questions, please.

24 Mr. Cardenas. Thank you very much.

25 And thank you, Dr. Rosekind for coming forth and answering

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1 our questions. And you are welcome to ask questions as well.

2 But I just wanted to thank you for all the work that you do
3 and please, if you would, translate that to all of the good workers
4 that you are surrounded with. And my first question has to be
5 speaking of workers and the people you are able to surround
6 yourself with, do you have as many people in your organization
7 that you would need to address all the issues that you recognize
8 you should be addressing or getting in front of?

9 Mr. Rosekind. No.

10 Mr. Cardenas. I had a funny feeling that would be the
11 answer.

12 Mr. Rosekind. But if you will let me, I will just say--

13 Mr. Cardenas. Please.

14 Mr. Rosekind. Well, thank you because this committee and
15 the FAST Act is helping us get there. So, Office of Defect
16 Investigations, which we have talked so much about has the
17 potential now for us to hire 57 new people and address that issue.
18 So, thank you so much because that is a huge difference for us.

19 Mr. Cardenas. So, 57 new people. I am glad we were able
20 to make sure. Congress has the power of the purse. So, that is
21 up to us to give you your budgets, et cetera. So, I am glad we
22 did that.

23 But being an engineer myself, and someone who understands
24 how the best way to get in front of an issue is to be proactive
25 and an organization that has to do with traffic safety like yours,

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1 it is very important that people understand that, unfortunately,
2 it is not that often that the United States constituents receive
3 the benefit of other countries good work on issues like this. We
4 tend to be the leaders. Isn't that the case? Not always, but
5 tend to be the leaders more often than not.

6 Mr. Rosekind. And I try and preface this by saying I am
7 biased. But I would like to say certainly in a lot of the
8 technology innovations, the U.S. is a leader.

9 Mr. Cardenas. Yes, and I believe that is the case both in
10 the issues we are talking about today here and in many, many
11 things. It is something that we as Americans should be proud of
12 but with all due respect, government does have its place,
13 especially when it comes to safety of the American public and
14 anybody who comes to our great country and assumes that safety
15 is a priority for us and that we are continuing to make it a
16 priority. So, once again, thank you, Doctor.

17 I would like to ask you, as I am sure you are aware, in
18 February, the Center for Auto Safety filed a lawsuit against the
19 Department of Transportation alleging that by failing to publish
20 technical service bulletins or TSBs in their entirety online for
21 consumers, DOT was in violation of MAP-21s. Finally, on March
22 25th, DOT announced that it would publish TSBs and it has been
23 brought to my attention that full TSBs are now available on the
24 Web site. I look forward to ensuring they are all up as soon as
25 possible.

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1 However, members of this committee worked very hard to have
2 TSB publication included in MAP-21. And while I am pleased that
3 NHTSA is beginning to finally comply with the requirements, I
4 think it is unfortunate that it took a lawsuit to get NHTSA to
5 make that happen.

6 I would like to ask you about the Early Warning Reporting
7 System. That system was put into place in 2000, after the highly
8 publicized Ford Firestone tire recalls. Early Warning Reporting
9 is intended to alert NHTSA to vehicle defects as early as possible,
10 ideally, helping to identify major problems and minimizing the
11 risk to the public. However, last year's audit by the Department
12 of Transportation's Office of Inspector General highlighted some
13 problems with the current Early Warning Reporting System. It
14 said that safety defects are often mis-categorized and that
15 manufacturers have wide latitude on what information they are
16 required to provide.

17 Dr. Rosekind, what changes or improvements, if any, is NHTSA
18 making to the Early Warning Reporting System to respond to the
19 findings in the IG report?

20 Mr. Rosekind. So, this came up in opening comments. This
21 is an opportunity to give everybody an update.

22 There were 17 recommendations that the Inspector General
23 identified. The Early Warning Reports, EWRs, were one of them.
24 We made an aggressive commitment to finish all of those
25 recommendations within a 1-year period, so by the end of June 2016.

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1 And the Inspector General was very clear nobody ever does that,
2 actually give them a schedule.

3 We have six of those closed ahead of schedule and we have
4 the other 11 already identified and on schedule to be finished
5 by the end of June 2016.

6 We have also done one other thing that nobody ever does. We
7 have actually set up technical meetings with the IG's office to
8 tell them what our plans are to meet those recommendations so that
9 we have an ongoing discussion with them to make sure we meet them
10 in an appropriate closed way.

11 Mr. Cardenas. So, 11 out of 17 have been addressed ahead
12 of schedule.

13 Mr. Rosekind. Six. The first six ahead of schedule. We are
14 working on the other 11, which are on schedule.

15 Mr. Cardenas. Okay, on schedule.

16 Mr. Rosekind. Yes.

17 Mr. Cardenas. It sounds like you are not only a good
18 listener, you are a good action department. So, I just wanted
19 to thank you so much for doing that.

20 Ahead of schedule is great. On schedule is good. And we
21 hope that you are able to do that. Not that you would want to
22 opine, but I hope that on this side we are as good a listener as
23 you are. Thank you so much.

24 Thank you, Mr. Chairman.

25 Mr. Burgess. The chair thanks the gentleman. The

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1 gentleman yields back.

2 The chair recognizes Ms. Schakowsky from Illinois for a
3 redirect.

4 Ms. Schakowsky. Thank you.

5 So, just a few weeks ago, the new chairman of the National
6 Automobile Dealers Association or NADA said that -- or maybe it
7 is NADA, NADA sounds -- I don't know. Okay, I don't know which
8 it is -- said that we shouldn't have legislation requiring dealers
9 to fix all recalls on used cars before they can be sold because
10 only six percent of recalls are hazardous.

11 Now, I have a letter that we received today from Cally Houck,
12 mother of Raechel and Jacqueline Houck and Alexander Brangman,
13 father of Jewel Brangman. And it says as parents of precious,
14 beautiful, talented daughters killed by recalled cars with lethal
15 safety defects, we are appalled that you -- it is a letter directed
16 to Jeff Carlson, Chairman of the National Automobile Dealers
17 Association -- that you would claim that quote, only six percent
18 of recalls are hazardous, unquote. Our daughters were driving
19 or riding in cars that were the very defects that you claim were
20 not hazardous and, therefore, acceptable for your car dealer
21 members to sell to the public without repairing the defects first.

22 So, Dr. Rosekind, I think it really is important to clarify
23 this point. Does NHTSA require manufacturers to recall vehicles
24 if a defect is even not safety related but all defects?

25 Mr. Rosekind. We have been at this before, haven't we?

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1 Ms. Schakowsky. We have.

2 Mr. Rosekind. Yes. And a defect that is an open recall
3 needs to be fixed, whether it is new, used, or rental.

4 And we just heard the Congressman say the assumption in any
5 one of those circumstances is that if there is open recall, there
6 is no defect.

7 Ms. Schakowsky. So, do you plan to reply at all to the notion
8 -- first of all, is that accurate, in your view, that the deaths
9 of these girls was caused by something claiming to be nonhazardous
10 by the Dealers Association?

11 Mr. Rosekind. This is one of those ongoing challenges of
12 them trying to -- of individuals trying to sort of split. That
13 is why we are pretty straightforward. Any open recall needs to
14 be fixed, period.

15 Ms. Schakowsky. So, are dealers prohibited, then, and
16 should be prohibited from selling or leasing used cars until all
17 recalls have been repaired?

18 Mr. Rosekind. That was in the GROW AMERICA Act and we
19 believe any new, used, or rental should be free of defects.

20 Ms. Schakowsky. Well, I hope that is really strongly
21 communicated. I feel an obligation to the people from whom we
22 received this letter and to the lost daughters of theirs that we
23 make that perfectly clear.

24 Thank you. I yield back.

25 Mr. Burgess. The gentlelady yields back.

1 And that concludes questions for the first panel. Dr.
2 Rosekind, thank you very much for your forbearance in staying with
3 us today.

4 We will take a 2-minute recess to set up for the second panel,
5 at which time, we will reassemble.

6 [Recess.]

7 Mr. Burgess. I want to welcome everyone back and thank
8 everyone for their time and patience in being here today.

9 We will move into our second panel for today's hearing and
10 we will follow the same format as the first panel. Each witness
11 will be recognized to give 5 minutes to summarize their opening
12 statement, followed by a round of questions from members.

13 For our second panel, we have the following witnesses: Mr.
14 Mitch Bainwol, President and CEO at Alliance of Automobile
15 Manufacturers; Mr. John Bozzella, President and CEO at Global
16 Automakers; Mr. Michael Wilson, CEO at Automotive Recyclers
17 Association; Ms. Jackie Gillian, President at Advocates for
18 Highway and Auto Safety; Ms. Ann Wilson, Senior Vice President
19 at Motor and Equipment Manufacturers Association.

20 We do appreciate you all being with us here today. We will
21 begin the panel discussion with you, Mr. Bainwol, and you are
22 recognized for 5 minutes to summarize your opening statement.

1 STATEMENTS OF MITCH BAINWOL, PRESIDENT AND CEO, ALLIANCE OF
2 AUTOMOBILE MANUFACTURERS; JOHN BOZZELLA, PRESIDENT AND CEO,
3 GLOBAL AUTOMAKERS; MICHAEL WILSON, CEO, AUTOMOTIVE RECYCLERS
4 ASSOCIATION; JACQUELINE GILLIAN, PRESIDENT, ADVOCATES FOR
5 HIGHWAY AND AUTO SAFETY; ANN WILSON, SENIOR VICE PRESIDENT, MOTOR
6 AND EQUIPMENT MANUFACTURERS ASSOCIATION.

7
8 STATEMENT OF MITCH BAINWOL

9 Mr. Bainwol. Chairman Burgess, Ranking Member Schakowsky,
10 members of the committee, thank you for this chance to be here
11 today to testify. I do so on behalf of 12 major OEMs based in
12 the U.S., in Europe, and in Asia. Rather than read a prepared
13 statement, I thought I would run through some slides very quickly
14 to try to provide some context. So, if we can move to the next
15 slide.

16 [Slide.]

17 Mr. Bainwol. This first slide is a 65-year trend line of
18 fatalities on the U.S. roads. The vertical bars are fatalities
19 in absolute numbers. And you see the roughly 33,000 which is
20 roughly where we were in 1949. The green line is vehicle miles
21 traveled and the yellow line is fatalities by vehicle miles
22 traveled, which are down about sevenfold. That is what the CDC
23 described as a tremendous public health achievement of the second
24 half of the century.

25 The gains, thus far, have been on the basis of two primary

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1 factors. One is changes in behavior, fewer people driving drunk
2 and more people driving belted. And that is great.

3 And the second piece of that has been technology focused on
4 crash worthiness. So, when an accident occurs, folks survive
5 that crash. It moves that yellow line down forward into the
6 future, we will require technology to prevent crashes. Next
7 slide.

8 [Slide.]

9 Mr. Bainwol. So a quick recall summary. As you all know,
10 we did significant research last summer with Global Automakers
11 and we learned a number of things, one of which is in terms of
12 awareness, about 85 percent of the awareness that folks have of
13 the recall comes from communications, from the OEM, and/or from
14 the dealer. We also know that there is a relationship in terms
15 of certain factors with recall completion. The more educated you
16 are, the greater the level of completion, the higher the income,
17 the greater the completion, the greater the risk perception, the
18 higher the level of responsiveness. The older the age of the car,
19 the less likely somebody is to bring the car in for completion.
20 And the closer to the dealer relationship, the more likely
21 somebody is to get that job done.

22 So, what do we need? We need not just to drive awareness
23 but to find ways to motivate people to comply with the recall.
24 And we do mail and email until we are blue in the face. And folks,
25 everybody gets a ton of communications and it is very hard to break

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1 through. It is not unlike campaigns and politics where sending
2 a message is one things. Motivating somebody to behave is another
3 thing. So, it is very, very tough. We need help and we need folks
4 in the other elements of the ecosystem to engage. And that is
5 why one of the reasons we are delighted with the FAST Act provision
6 on DMVs. The pilot program, I think, they discussed with
7 Administrator Rosekind, that is a really strong idea and we think
8 that is worth pursuing.

9 We also think it is a good idea and we have reached out to
10 the insurance community because those folks engage drivers
11 semi-annually, typically. And when you go in for a renewal or
12 you go in for a quote, those folks can notify a consumer who is
13 very focused on their car at that point about an open recall and
14 they would be very, very helpful. Next slide.

15 [Slide.]

16 Mr. Bainwol. This is a sample insert. Given time, I will
17 skip on. Next slide.

18 [Slide.]

19 Mr. Bainwol. So this is really important in terms of
20 dimensionalizing the problem we have got. There were 32,675
21 folks who died in 2014 on the roads and that is a tragedy. Of
22 those, 31,479 perished in accidents that had nothing to do with
23 the vehicle. Okay? Three -- let me find the number here--1196,
24 3.7 percent were fatalities related to vehicle factors but in all
25 vehicles, motorcycles, ATVs, trucks, and light duty vehicles,

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1 836, 2.6 percent were vehicle factors in light duty vehicles. And
2 of that, roughly two-thirds were accidents related to vehicle
3 maintenance factors.

4 So, under one percent of the factors in 2014 related to the
5 vehicle.

6 The other part down there is very hard to see in the lower
7 right, relates to the age of the car. Five percent of the
8 fatalities were in cars that were 5 years or newer. That same
9 proportion of the fleet is 27 percent.

10 Cars that are older than 10 years represented 75 percent of
11 the fatalities and just 46 percent of the fleet. So, obviously,
12 there is a very direct relationship with the age of the cars.

13 I will skip through the next slide and let's go to benefits
14 of automation real fast.

15 [Slide.]

16 Mr. Bainwol. So, as you talk about the future and as you
17 talk about technology and the tools necessary to drive increased
18 levels of safety, there is this question about what happens with
19 automation. Is it going to be a revolution with autonomy or is
20 it going to be an evolution toward autonomy? And the benefits
21 you accrue accrue immediately. So, the safety benefits you get
22 from things like automatic braking, the environmental benefits
23 you get from automatic braking, national security reduced use of
24 fuel from automatic braking. The factors that you don't get, the
25 benefits that you don't get, are things like access which does

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1 require full autonomy.

2 Last slide, given the time.

3 [Slide.]

4 Mr. Bainwol. If you look at market penetration, as you
5 examine the future, this is a study that was done by Moody's that
6 came out about a week ago and this is their estimate about the
7 roll out of self-driving cars.

8 In 2020, the self-driving car is available. That is roughly
9 right. In 2030, they deem it to become common. In 2035, they
10 deem it to become standard. And in 2045, they deem the fleet to
11 be a majority self-driving. And in 2055, they deem it to be
12 ubiquitous.

13 So, we are talking about 40 years from now to ubiquity.
14 Along the way, we have these technologies like automatic braking
15 that will have a huge impact on the social benefits that we can
16 accrue.

17 We have an enormous opportunity to make fantastic safety
18 gains and the focus on technology is when we should lean forward.
19 I think the Administration has done exactly that. We applaud them
20 for that. And we applaud this committee also for its focus on
21 the promise of new technologies.

22 [The prepared statement by Mr. Bainwol follows:]

23

24 *****INSERT*****

1 Mr. Burgess. The chair thanks the gentleman. The
2 gentleman yields back.

3 Mr. Bozzella, 5 minutes for your opening statement, please.

1 STATEMENT OF JOHN BOZZELLA

2
3 Mr. Bozzella. Thank you, Mr. Chairman. Ranking Member
4 Schakowsky, thank you for the opportunity to testify today.

5 Global Automakers represents international automobile
6 manufacturers and original equipment suppliers in the United
7 States. Our members directly employ well over 100,000 Americans
8 and sell over 40 percent of all new vehicles purchased in the
9 country.

10 Our companies are improving the safety of vehicles in the
11 road today and revolutionizing mobility. Automakers are
12 competing furiously and taking the lead to introduce innovative
13 technologies that address and solve problems.

14 I have submitted written testimony in which I discuss these
15 matters in more detail. I will highlight two critical policy
16 priorities that will help drive life-saving technologies into the
17 marketplace. But first, I would like to update the committee on
18 actions we are taking to improve recall completions.

19 The recent tragedy in Texas has shown that we must continue
20 to work urgently to reach every affected customer and fix every
21 single vehicle. Since we last met, the committee took decisive
22 action in the FAST Act to investigate what we think is a very
23 important idea, addressing recall completion through the vehicle
24 registration process. We requested that appropriators fully
25 fund the pilots. We have been encouraging states to look at this.

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1 And we urge NHTSA to release the request for proposal to get the
2 process started.

3 The industry has been working hard to complete the Takata
4 recalls by securing alternative airbag supply, by employing new
5 methods beyond what is required by law to find, inform, and
6 encourage owners to bring their vehicles in for repair and
7 participating also in NHTSA's coordinated remedy program. The
8 industry has also reached out to insurance companies, as Mitch
9 just testified, asking for their help in notifying customers about
10 open recalls.

11 In January, automakers joined with the Department of
12 Transportation to announce the Proactive Safety Principles.
13 Under the principles, we are working with NHTSA to share best
14 practices to improve recall completion rates and to examine ways
15 to better identify potential safety risks earlier. Together we,
16 the industry, policymakers, regulators, and safety advocates have
17 made substantial progress over the last 50 years but we have much
18 more to do. Innovation in the automated and connected vehicle
19 space is already producing significant public benefits.

20 There are two critical near-term priorities for federal
21 regulators and policymakers to accelerate innovation and
22 dramatically improve highway safety. First, the Federal
23 Government needs to take leadership on vehicle automation.
24 Federal policymakers have long recognized the public benefit of
25 national motor vehicle safety standards that allow manufacturers

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1 to bring the latest advances in safety to consumers in all 50
2 states.

3 A patchwork of local and state laws will almost certainly
4 slow innovation. For instance, what happens when an automated
5 vehicle meets the design criteria for one state but not another?
6 Would the vehicle be banned from crossing the state line? The
7 Federal Government, working closely with stakeholders, must
8 quickly expand its leadership role to ensure the development of
9 policies that foster, rather than inhibit innovation.

10 Secondly, the Federal Government must help accelerate the
11 game-changing benefits that will come with connected cars.
12 Moving NHTSA's proposed vehicle-to-vehicle rule forward will
13 create an interoperable standard so all cars can communicate with
14 each other and the infrastructure to warn drivers of dangers and
15 ultimately avoid crashes.

16 After more than a decade of research and development and
17 significant investment by both the public and private sectors,
18 this technology is being tested on public roads and is ready for
19 widespread deployment. Government support must ensure that both
20 the vehicle standard is established and that access to the
21 dedicated spectrum, free of harmful interference is maintained.
22 With clear rules, innovation will flourish.

23 Exciting developments in the automated and connected vehicle
24 space are creating tremendous benefits, yet bring challenges that
25 must be addressed. I believe that collaboration is the key to

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1 ensuring that the benefits of these technologies reach consumers.
2 There is no one single approach to achieve this goal. So, let's
3 work together to develop and use the right tools in the right way.

4 Thank you for the opportunity to testify today and I look
5 forward to your questions.

6 [The prepared statement by Mr. Bozzella follows:]

7

8 *****INSERT*****

1 Mr. Burgess. The chair thanks the gentleman.

2 The chair recognizes Mr. Wilson, 5 minutes for your opening

3 statement, please.

1 STATEMENT OF MICHAEL WILSON

2

3 Mr. Wilson. Chairman Burgess, Ranking Member Schakowsky,
4 and members of the subcommittee, I appreciate the opportunity to
5 testify before you today.

6 My name is Michael Wilson and I am CEO of the Automotive
7 Recyclers Association. The ARA is dedicated to the efficient
8 removal and reutilization of genuine original equipment
9 automotive parts. The ARA represents the interests of over 4,500
10 professional automotive recyclers in the United States who each
11 day sell over 500,000 recycled parts. These quality, recycled
12 original equipment parts are designed by automobile manufacturers
13 and built to meet their requirements for fit, finish, durability,
14 reliability and safety. These parts are often subsequently
15 reutilized in the repair and service of vehicles and continue to
16 operate as they were originally intended.

17 I come before you today with appreciation for the Congress,
18 including a provision in FAST Act that provides the automotive
19 recycling industry to OE parts data on all recalled automotive
20 parts and to discuss the important steps that must be taken to
21 implement the provision.

22 While the language in the FAST Act does not provide for access
23 to all parts data for every motor vehicle, as did the version that
24 passed the full House on November 4th of last year, it does signify
25 the importance of part numbers to enhance consumer safety.

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1 ARA applauds Administrator Rosekind's goal of 100 percent
2 remedy rates for safety recalls and has had numerous discussions
3 with the Administrator and NHTSA staff over the last several
4 years. Since passage of the FAST Act, ARA has not had detailed
5 conversations with NHTSA on this issue. However, we believe our
6 previous outreach to NHTSA and the Congress has provided the
7 Agency with significant insight into the data must be made
8 available electronically to address consumer safety concerns.

9 ARA's leadership and staff stand ready to provide the agency
10 with assistance on the complexities of part identification in the
11 recycled parts supply chain. Specific data requirements need to
12 be addressed to ensure that the
13 new law has the positive and effective outcomes as intended.

14 In my comments, I will address three main issues that need
15 to be addressed by NHTSA for successful implementation.

16 First, the provision's purpose is to provide the recycling
17 industry with the recall data necessary to specifically identify
18 automobile manufacturers' defective parts in the automotive
19 supply chain. As I testified before this Subcommittee last
20 October, the data on part names, part descriptions and part
21 numbers must be tied to specific
22 VIN numbers for recyclers to be able to identify manufacturers'
23 defective parts.

24 The relationship between specific VINs and each vehicle
25 manufacturer part number enables processing of the data with

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1 standard IT systems. It is only with access to specific VIN numbers
2 tied to standardized parts information that the industry's
3 commercial inventory management system providers and large
4 independent operators have the ability to cost effectively
5 develop software that can automatically identify manufacturers'
6 defective recall parts that are in recyclers' inventories or
7 identity the vehicles which contain recalled parts prior to
8 purchase by recycler.

9 However, with only VIN ranges, the industry would be limited
10 to manually mapping each recall campaign, a process that one
11 inventory management system provider has already attempted, only
12 to determine that it is so time consuming that having to manually
13 map up the thousands of manufacturer recalls using VIN ranges
14 would bankrupt the company.

15 Secondly, ARA maintains that no new government database
16 needs to be developed because manufacturers are already required
17 by statute to maintain publicly available lists of specific VINs
18 of the vehicles involved in recall that are included in a quarterly
19 report.

20 Currently, the statute also requires that these reports
21 continue to be available online through www.safercar.gov as part
22 of the manufacturer's recall file. The current rule also
23 requires manufacturers to submit their part 573 notification
24 reports through NHTSA's internet Web site portal. Given that
25 manufacturers already submit quarterly recall reports

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1 electronically to NHTSA, ARA believes that the process may only
2 involve a modest technical correction to provide stakeholders
3 timely access to data fields within these reports, which in turn
4 would allow these parties to cross-check that information with
5 the inventories of recyclers. However, providing these reports
6 in a non-integratable format is unacceptable. NHTSA's
7 implementing language must adopt parts identification methods
8 that embrace
9 advancements in information technology resulting in a
10 state-of-the-art electronic processing methods based on the
11 relationship between the VIN and part numbers. Vehicle
12 manufacturers themselves use this VIN-OE number relationships in
13 their own parts ordering systems. Automobile manufacturers'
14 refusal to grant access to this precise parts identification
15 method leads to a monopoly on critical safety information that
16 puts consumers at risk and the entire independent replacement
17 parts market at a disadvantage.

18 It is no longer a matter of letting motor vehicle
19 manufacturers decide whether it suits their business model to
20 grant access to this data or not. It is a consumer safety concern
21 that NHTSA must address.

22 Lastly, it is important that NHTSA adequately address the
23 scope of data that will be provided to the professional automotive
24 recycling industry. To effectively address requirements under
25 the TREAD Act as well as new requirements contained in the FAST

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1 Act that requires manufacturers to financially remedy their
2 recall defects going back 15 years, automobile manufacturers must
3 be required to provide this recalled parts data back to November
4 2000 to cover the 10,252 recall campaigns over this time period.

5 It is only through comprehensive access to both original
6 equipment part numbers of recalled parts, tied to specific VINs
7 that manufacturers and recyclers can come together to enhance
8 overall motor vehicle safety; help improve recall remedy rates;
9 and seek to effectively address the federal recall remedy
10 requirements for used equipment enacted 15 years ago in the TREAD
11 Act.

12 I am thankful for the attention of the Congress in the
13 oversight of this critical safety issue and I thank you for this
14 opportunity to speak before you today.

15 Thank you.

16 [The prepared statement of Mr. Michael Wilson follows:]

17
18 *****INSERT*****

1 Mr. Burgess. The chair thanks the gentleman.

2 Ms. Gillian, you are recognized for 5 minutes for an opening
3 statement, please.

1 STATEMENT OF JACQUELINE GILLIAN

2

3 Ms. Gillian. Thank you very much. Good morning, Chairman
4 Burgess, Ranking Member Schakowsky, and members of the
5 subcommittee.

6 I am Jackie Gillian, President of Advocates for Highway and
7 Auto Safety, a coalition of consumer health and safety and
8 insurers working together to save lives by promoting adoption of
9 highway and auto safety laws.

10 I appreciate the opportunity to testify before you this
11 morning.

12 Although motor vehicle deaths are on the rise, the good news
13 is that we have solutions at hand to reduce this death and injury
14 toll. There is an unfinished and overdue safety agenda which
15 needs attention and action by Congress and NHTSA. I would like
16 to briefly highlight several needed improvements.

17 The grim statistic about rising deaths comes at a time when
18 Americans are also facing a record number of recalls for vehicle
19 safety defects, which has been mentioned repeatedly this morning.
20 The dangers posed by the record high number of recalls are
21 exacerbated by the disturbingly low rate for completing repairs.
22 However, the most effective and direct solution can be summed up
23 in one word, prevention. The auto industry must identify safety
24 problems sooner and take corrective action immediately.

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1 Millions of vehicles are under recall today, about one out
2 of five registered vehicles because known safety defects were
3 hidden for years from the public and from NHTSA. Now, consumers
4 must bear the burden of driving defective vehicles, waiting months
5 for replacement parts, and taking time to bring in their vehicles
6 for repairs.

7 Other necessary solutions are closing the loophole that
8 permits dealers to sell used cars under recall, linking vehicle
9 registration with repairing defects and providing NHTSA with
10 imminent hazard authority to immediately stop the manufacturing
11 of defective vehicles.

12 Additionally, we commend the increased funding levels
13 adopted in the FAST Act for NHTSA but it is still not enough to
14 address the numerous challenges facing the agency. Insufficient
15 resources will hamper NHTSA is available to ensure the safety of
16 the car of today, as well as the safety of the car of tomorrow.

17 One of the chronic problems facing NHTSA is timely completion
18 of important rulemakings required by Congress. And I know there
19 was focus on how well they were doing addressing the FAST Act
20 requirements. There are many MAP-21 requirements that are
21 overdue, some by more than a year. These include final rules due
22 in 2014 to improve occupant protection in motor coaches for the
23 roof strength and anti-ejection protection. In addition, motor
24 coach fires are frequent, oftentimes fatal, and yet completely
25 preventable. NHTSA has been ignoring repeatedly NTSB

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1 recommendations and their own research about strategies and rules
2 that can be implemented to address fire prevention and that needs
3 to change.

4 Child occupant protection is another top priority. Again,
5 NHTSA has delayed conducting rulemakings required by Congress
6 that affect the safety of all of our children. For example, rules
7 requiring seatbelt reminders and improving the LATCH system for
8 proper child restraint installation were due last October and
9 still haven't been issued.

10 Also, as you mentioned Chairman Burgess, millions of
11 children riding in the back seat are needlessly at risk but there
12 are solutions available. There is no need for a child to
13 tragically die from hyperthermia or hypothermia when
14 inadvertently left behind in a vehicle or because the seat back
15 fails in a crash and kills or seriously injures a child sitting
16 behind a front seat passenger.

17 It is time for NHTSA to issue rules requiring technology to
18 alert adults to unattended children left in a car and to update
19 the seat back strength standard, which was issued in 1967.

20 Unfortunately, the FAST Act did not adopt important safety
21 solutions that are still needed and contained in the Vehicle
22 Safety Improvement Act of 2015. These include removing the cap
23 on civil penalties, prohibiting regional recalls, upgrading early
24 warning reporting requirements, and improving pedestrian safety.

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1 Advocates also believe that the advent of driverless cars
2 in the future holds great promise to advance safety. However,
3 federal oversight, minimum performance standards, as well as
4 transparent and verified data are essential in the process.
5 Consumers should not be guinea pigs in this experiment and NHTSA
6 cannot be a passive spectator.

7 Fifty years ago, Congress passed and President Johnson
8 signed into law the National Traffic and Motor Vehicle Safety Act
9 of 1966 to protect the public against, and this is quoted from
10 the law, unreasonable risk of accidents occurring because of the
11 design, construction, or performance of motor vehicles. The
12 underlying principles of this prescient 50-year-old law have not
13 changed. But in order for the agency to fulfill its statutory
14 mission, NHTSA needs sufficient resources and a strong resolve
15 to use its regulatory and enforcement authorities to protect the
16 public.

17 Thank you very much.

18 [The prepared statement of Ms. Gillian follows:]

19
20 *****INSERT*****

1 Mr. Burgess. The chair thanks the gentlelady. And the
2 chair apologizes. I mispronounced your name, Ms. Gillian. And
3 I had a phonetic spelling in front of me, which I followed and
4 I should have done what I knew was correct.

5 Ms. Gillian. Well, no need to worry. When I was reviewing
6 my statement right before I sent it over, my staff had misspelled
7 my name. So, you are in good company.

8 Mr. Burgess. Ms. Wilson, you are recognized for 5 minutes
9 for your opening statement, please.

1 STATEMENT OF ANN WILSON

2

3 Ms. Wilson. Thank you. Chairman Burgess, Ranking Member
4 Schakowsky, members of the subcommittee, my name is Ann Wilson.
5 I serve as the Senior Vice President of Government Affairs for
6 the Motor and Equipment Manufacturers Association.

7 Thank you for the invitation to testify before you today on
8 the implementation of provisions in the FAST Act.

9 MEMA represents vehicle suppliers that manufacture and
10 remanufacture components and systems for use in passenger cars
11 and heavy trucks. Our members develop and manufacture original
12 equipment to new vehicles, as well as aftermarket parts to
13 service, maintain, and repair the over 256 million vehicles that
14 are on the road today. Suppliers are the largest employer of
15 manufacturing jobs in the United States, directly employing over
16 700,000 Americans with a total employment impact of 3.6 million
17 jobs.

18 Our members lead the way in developing advanced,
19 transformative technologies that enable safer, smarter, and more
20 efficient vehicles, all within a rapidly growing global
21 marketplace. Ultimately, about two-thirds of the value of
22 today's vehicles comes from suppliers. Suppliers work closely
23 with vehicle manufacturers to provide cutting edge, innovative
24 systems and components for new vehicles.

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1 Today, I wanted to focus on the real benefits that advanced
2 safety technology can provide to motor vehicle safety. There are
3 many advanced safety features available in the vehicle
4 marketplace ranging from passive to active systems that either
5 warn, aid, and/or assist a driver and to avoid or mitigate vehicle
6 crashes. These crash avoidance and mitigation technologies
7 combined with decades of improved crash worthiness features
8 provide the opportunity for significant overall reduction of
9 fatalities, injuries, and property damage claims in the United
10 States.

11 In 2015, MEMA and the Boston consulting group released a
12 report exploring the safety benefits to some of these systems,
13 known collectively as advanced driver assistance systems or ADAS.
14 Last year, MEMA testified before this subcommittee that ADAS
15 technologies can provide immediate safety benefits and form the
16 pathway to a partially and fully automated vehicle fleet that
17 could virtually eliminate traffic fatalities. The study found
18 that a suite of ADAS technologies has the potential to prevent
19 as many as 30 percent of all crashes, a total of 10,000 lives --
20 10,000 lives saved annually.

21 However, relatively few vehicles on the road today have ADAS
22 technologies and the market penetration is only growing at about
23 two to five percent annually. Since driver error is, by far, the
24 leading factor in motor vehicle crashes, the lack of widespread
25 adoption of these technologies in the U.S. is a significant missed

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1 opportunity. Congress recognized the importance of these
2 technologies with enactment of the FAST Act and the direction to
3 NHTSA to include crash avoidance technologies in NHTSA's New Car
4 Assessment Program.

5 Shortly after passage, as Dr. Rosekind testified, NHTSA
6 announced its envisioned upgrades to NCAP beginning with model
7 year 2019 vehicles. The purpose of this enhancement is to expand
8 the program beyond crash worthiness by including for the first
9 time crash avoidance and mitigation technologies and pedestrian
10 safety.

11 MEMA commends Congress and NHTSA for taking this major stride
12 to enhance and expand the NCAP categories and ratings.
13 Collaboration between government, vehicle manufacturers,
14 suppliers, safety advocates, and other stakeholders is key to the
15 success of a significant evolution in the program. Even though
16 NCAP is a voluntary, non-regulatory program, it has a substantial
17 and direct impact on how automakers and suppliers design future
18 vehicles and plan for emerging technologies. In addition, NCAP
19 provides that all-important link of information to the consumer.

20 There are a variety of other tactics that can be utilized
21 by policymakers in industry to achieve the overarching goal of
22 reducing crashes. MEMA supports the volunteer agreement between
23 the automakers and NHTSA to make automatic emergency braking
24 technology standard equipment in almost light duty vehicles by
25 the year 2022.

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1 Additionally, MEMA strongly believes another key element to
2 the expansion of ADAS technologies is the development of future
3 regulations with our global counterparts, most notably, the
4 European Union.

5 These efforts do not equate to a lower standard of safety.
6 Rather, a strong harmonized system can provide an opportunity to
7 address new safety technologies in a transparent and efficient
8 manner.

9 Members of MEMA are committed to motor vehicle safety. As
10 industry moves forward with increased collaboration with
11 regulators, we believe that NHTSA's use of NCAP program, voluntary
12 agreements, and rulemaking has the potential to address many of
13 our current challenges.

14 MEMA also urges the agency to actively engage in the
15 harmonization of new regulations that could speed completion of
16 testing standards and regulations.

17 We applaud this committee's commitment to motor vehicle
18 safety by updating the NCAP program and providing greater access
19 to safety technology.

20 I would be happy to answer any questions.

21 [The prepared statement of Ms. Ann Wilson follows:]

22
23 *****INSERT*****

1 Mr. Burgess. The chair thanks the gentlelady.

2 And I thank you all for your testimony and we will now move
3 into the question portion of the hearing and I would like to yield
4 the first 5 minutes to the vice-chair of the subcommittee, Mr.
5 Lance, for your questions, please.

6 Mr. Lance. Thank you, Mr. Chairman. And good morning and
7 almost afternoon to you all.

8 Ms. Gillian, I believe I heard you say that fatalities are
9 increasing. Is that right?

10 Ms. Gillian. Yes, they are.

11 Mr. Lance. Could you explain that, please?

12 Ms. Gillian. NHTSA recently released data showing that
13 comparing the first three quarters of 2014 with the first three
14 quarters of 2015, that there has been over a nine percent increase
15 in motor vehicle fatalities. And that increase actually
16 represents one of the largest jumps that we have seen in the last
17 30 to 40 years. And so it is really significant and that is the
18 reason we need to focus on what are those programs and strategies
19 that can help turn that around.

20 Mr. Lance. Mr. Bainwol, would you like to comment on that?
21 Because I am looking at your chart now and I see your chart goes
22 to 2014.

23 Mr. Bainwol. Right and that is because there are not
24 official numbers yet for 2015. But we do know that the aggregate
25 number has risen and it has risen beyond vehicle miles traveled.

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1 So, there is a delta there that is disconnected from the amount
2 of travel and that is very, very concerning.

3 What we don't know is the cause. There are some clues. We
4 won't really be able to know until the full data set comes out.
5 For instance, is this from motorcyclists? Is it pedestrians? Is
6 it passengers? Is it drivers? We just don't know.

7 We have seen some early clue. There was a story I saw a
8 couple of weeks ago comparing one state, in Wisconsin, pedestrian,
9 motorcyclist, others and there was a spike in pedestrian. There
10 was a spike in motorcyclists. But we won't know until the full
11 data set comes out.

12 It is concerning but I would make one other, I think, kind
13 of crucial point. And that is if we lived in a zero defect world,
14 99 percent of the fatalities that we are addressing still exist.
15 So, the question here is that doesn't mean we shouldn't cope with
16 the one percent, we should get that right. Recall policy is
17 vitally important and we are totally committed to making sure we
18 get it right. But we also have to find a way to deal with the
19 preponderance of the problem, the 99 percent. And the good news
20 that we have been talking about in this panel is that technology
21 brings that possibility, the ability to avoid accidents will save
22 thousands of lives. And the faster we can lean forward and
23 implement that technology, the better off we are going to be.

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1 Mr. Lance. According to your chart, in 2014 of the 32,675
2 fatalities, 1,196, as I understand your chart, were related to
3 vehicle factors. Am I reading that chart accurately?

4 Mr. Bainwol. Correct. And factors represents two things,
5 one are defects, and one is maintenance. So, if you have an
6 improperly inflated tire, that is a maintenance issue and not a
7 defect issue.

8 Mr. Lance. And I am sure this is still a matter of
9 speculation but could the increased fatalities, as Ms. Gillian
10 has indicated, and I will ask Ms. Gillian as well, could they be
11 based upon factors such as texting, for example?

12 Mr. Bainwol. So, I will give you an anecdotal response not
13 a scientific response but, yes.

14 Every day I drive to work. It takes me about an hour to get
15 to work. And as I focus on my driving task, I also look to see
16 what the other guy is doing. And I see lots of folks looking down
17 at their phones. So, there is no questions there is a texting
18 problem, both in the car and, ironically, with pedestrians. If
19 you watch people cross streets, more often than not, they are like
20 this.

21 Mr. Lance. I see a texting problem in the hallways of
22 Congress.

23 Mr. Bainwol. But not one on this panel.

1 Mr. Lance. No, it involves people a generation younger than
2 you or I who are bumping into me as they are texting and not looking
3 where they are going.

4 Ms. Gillian, if you would like to respond to my series of
5 questions.

6 Ms. Gillian. Yes, I very much would like to.

7 We need to really attack this problem, both looking at
8 getting the -- improving the behavior of the driver. Advocates
9 is very active. In fact, we just put out this report Missing in
10 Action on the need for states to step up and pass texting laws,
11 tougher drunk driving laws, child restraint laws.

12 Mr. Lance. Yes.

13 Ms. Gillian. However, the other part of the equation is also
14 the issue of driving safer cars. And many years ago, the former
15 president of MADD said to me, you know, Jackie, the best defense
16 against a drunk driver is a safe car.

17 So, you really need to attack both. And the problem is with
18 all these recalls is that we have seen that people are not taking
19 them in. You are getting two or three notices and then we have
20 these deaths like the 17-year-old teenager in a low-speed crash.

21 Mr. Lance. Thank you. My time is expiring. Thank you, Mr.
22 Chairman.

23 Mr. Burgess. The chair thanks the gentleman.

24 The chair recognizes the gentlelady from Illinois, Ms.
25 Schakowsky, 5 minutes for questions.

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1 Ms. Schakowsky. Thank you, Mr. Chairman.

2 Ms. Gillian, members of -- no, no. In February -- I wanted
3 to preface this question -- the Center for Auto Safety filed a
4 lawsuit against DOT alleging that DOT's failure to publish
5 Technical Service Bulletins or TSBs online --

6 Ms. Gillian. I am sorry. I am having a hard time hearing
7 you.

8 Ms. Schakowsky. Okay, let me try again.

9 Ms. Gillian. Okay.

10 Ms. Schakowsky. All right. In February, the Center for
11 Auto Safety filed a lawsuit against DOT alleging that DOT's
12 failure to publish Technical Service Bulletins or TSBs online was
13 a violation of MAP-21.

14 On March 25th, DOT issued a Federal Register notice saying
15 that it would begin posting all TSBs online. Conveniently, TSBs
16 started appearing yesterday on DOT's Web site.

17 So, here is my question. Members of this committee drafted
18 and pushed hard for the TSB publication provision in MAP-21. And
19 I know this might sound rhetorical but should it have taken a
20 lawsuit for DOT to start posting that information? And is this
21 a pattern we should worry about?

22 Ms. Gillian. Yes, and there is an issue, an example even
23 closer to home, Representative Schakowsky --

24 Ms. Schakowsky. Okay.

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1 Ms. Gillian. -- and that is rearview cameras. That is
2 also an issue where finally in 2008 we got legislation passed
3 requiring rearview cameras as standard equipment. They will
4 become standard equipment in 2018. Because of your legislation
5 and your tenacious advocacy in the work that safety groups did,
6 we ended up having to file a lawsuit to finally spring that rule
7 free from OMB and the agency.

8 So, we are kind of faced with all of these roadblocks. We
9 can't get the agency to issue the rules. I have given examples
10 in my testimony. Then, when they are, they delay the deadlines.
11 And then finally, we have to resort to litigation.

12 And public interest groups, Public Citizen handled the case,
13 both those cases for us but it really is unnecessary for these
14 very common sense and important rules and regulations that
15 consumers want.

16 Ms. Schakowsky. And let me point out in terms of the rear
17 visibility, that law actually passed in 2008. And so finally,
18 in 2018, we will see that standard.

19 So, I wanted to ask you, you talked quite a bit about recalls,
20 as you said 2015 was another record-setting year for recalls, more
21 than 51 million vehicles were recalled. Again, for Ms. Gillian.

22 Dr. Rosekind has said publicly that NHTSA's diligence in
23 pursuing automakers for safety defects is part of why recalls have
24 gone up, rather than just an increase in the number of defects.
25 Perhaps that is partly the case. Some have suggested that because

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1 of the recent high profile recalls the industry is more willing
2 to go to recall faster to get ahead of the story.

3 What, in your view, is causing the rise in recalls and do
4 you agree with Dr. Rosenkind's assessment?

5 Ms. Gillian. Well I think, as I said in my testimony, we
6 supported legislation which removed the cap no civil penalties.
7 We supported criminal penalties.

8 I mean I think that you had GM, Takata, and VW feeling that
9 they could ignore the law and produce cars that were faced with
10 these defects and pretty much just face a fine that is a slap on
11 the wrist is contributing to the problem.

12 And I think that while you know I support what NHTSA is doing
13 in trying to accelerate the consumers repairing their vehicles,
14 I mean I think that we need a tough cop on the beat and I think
15 that we need NHTSA -- a lot of the issues we finally got Technical
16 Service Bulletins published.

17 There is still an issue with that agency on transparency.
18 I just heard from one of my Board members, Standard for Auto Safety
19 that is still trying to get documents out of them. It is still
20 a very difficult and cumbersome process for consumers to get that
21 information.

22 And I will tell you, if you look back on those three examples,
23 GM, Takata, and VW, consumer groups played a big role in exposing
24 those problems. And so you know that is the importance of having

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1 this information available so that we can also be a check on what
2 is going on.

3 Ms. Schakowsky. And thank you for that.

4 A number of people brought up today in January NHTSA
5 announced a voluntary agreement with 18 automakers called the
6 Proactive Safety Principles. Do you expect that agreement to
7 have an effect on recall rates?

8 Ms. Gillian. Well, I will make that a short answer. No,
9 because voluntary standards are rife with deficiencies. They are
10 unenforceable. When a consumer goes in the showroom, they don't
11 know whether that car is meeting that standard. They are done
12 in secret without any public input or from other state, and
13 typically, they result in the lowest common denominator of
14 industry practice and discourage innovation.

15 Ms. Schakowsky. My time is up. So, we will leave it at
16 that. Thank you very much.

17 Ms. Gillian. Thank you.

18 Mr. Burgess. The chair thanks the gentlelady. The
19 gentlelady yields back.

20 The chair recognizes the gentleman from Texas, Mr. Olson,
21 5 minutes for questions, please.

22 Mr. Olson. I thank my good friend, our chairman. Welcome
23 to all of our witnesses. I do not intend to ask any questions.
24 I want to deliver a plea from home.

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1 On March 31st, 2 weeks ago today, Huma Hanif left George Ranch
2 High School to head to her home. As she turned onto her street
3 in her neighborhood, she tapped a car in front of her, a minor
4 fender bender. Her airbag deployed with an explosion and sent
5 a small piece of shrapnel the size of this nickel into her neck.
6 She died in her own car with her seatbelt still on. She was 17
7 years old. Here is a photo of the accident scene.

8 I drove to see where Huma died for myself. It was so close
9 to my home. Eight turns, through seven traffic lights, and three
10 stop signs and I was there. It was hard to believe a young girl
11 could die right there in such a minor collision.

12 I know that we have made a lot of progress in getting recalled
13 cars in for repair. Right now about 70 percent. I have been told
14 70 percent. That is great but I also know and I worry about
15 another Huma being out there.

16 I know that we can't quit at 70 percent. The only acceptable
17 number is 100 percent of recalled cars repaired with a defect like
18 that. I wish I could tell you how to achieve this. I can't. But
19 I know that working together we can achieve our goals. And that
20 starts by acting on the plea I promised at the start of my comments.
21 It comes from Huma's brother, Faizan. It is a short video.

22 [Video shown.]

23 Mr. Olson. That is Sheriff Troy Nehls. That is Faizan
24 there, the brother.

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1 You can hear my voice. Your ears are working fine. The
2 machine is not working properly right now. I am not saying
3 anything. No comments.

4 That is the airbag that was deployed. That is the part that
5 was lodged in her neck right there, about the size of a nickel.

6 That works.

7 Get out there and make sure people know if they drive a
8 vehicle in America, log on to safercar.gov. Check out the car
9 online. Make sure you don't drive a defective car. If you do,
10 get that car fixed. Let's make sure another Huma will never
11 happen again.

12 I yield back.

13 Mr. Burgess. The chair thanks the gentleman.

14 The chair would note that he deferred his questions for other
15 committee members. And I will now yield myself 5 minutes for
16 questions.

17 So, okay, given what we have just seen -- and I guess this
18 is a question for you, Mr. Bainwol, perhaps you, Mr. Bozzella.
19 And Mr. Bainwol, I am going to refer to the slide set that you
20 gave us. And when you look down at the bottom corner with the
21 stuff that was hard to read, the fatality percentage was 75 percent
22 in cars that were older than 10 years, older than 2005. And that
23 is 46 percent of the fleet.

24 And that is the challenge because then if you look at some
25 of the stuff that Mr. Rosekind had provided to us, the compliance

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1 with recall notices in that age set of cars that is older than
2 10 years is 15 percent. So, we have got a disconnect there.

3 Now you said something, either Mr. Bainwol or Mr. Bozzella,
4 that really intrigued me in your testimony because you talked
5 about working with insurance companies. And I actually tried to
6 call up my insurance card on my iPhone. I couldn't do it because
7 I forgot my challenge question. But that is a separate issue.
8 But your insurance company has your vehicle identification
9 number, when you get your renewal on your insurance.

10 And one of you mentioned partnering or getting insurance
11 companies involved in this and to help with this. There is
12 actually an opportunity. They have the data. And maybe we can
13 talk to Mr. Rosekind about the larger data sets being able to go
14 through more easily but that seems like a fix. And I know my
15 insurance company that advertises heavily on TV and says 15
16 minutes could save you 15 percent or more, everybody knows that.
17 Boy, 15 minutes could save your life your daughter's life. I mean
18 that is pretty important stuff.

19 So, what can we do to engage our state DMVs and your insurance
20 companies? There is a way to get this data transferred and get
21 these cars in and fixed. Is there not?

22 Mr. Bainwol. The short answer is yes. We want to see every
23 car fixed. We are desperately trying to communicate with car
24 owners to move them to comply with the recall but we clearly have

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1 a problem doing that. And the older the car, the more difficult
2 that challenge is.

3 So, what that means is, it is an all hands on deck
4 proposition. We are not trying to shift the burden. WE are
5 trying to bring other people to the party to help get the job done.

6 And it strikes us that DMV and the insurance world are the
7 touchpoints that consumers engage with and you talk about the
8 health of the vehicle at that point. And so they are a perfectly
9 natural place to go to augment our efforts. They also have better
10 data. So, we have custody of the name when we sell a new car but
11 oftentimes with a car that is 10 or 11 years old, it is going to
12 be sold multiple times, sometimes by private parties. And so the
13 custody, the trail goes cold. And so the trail is hotter with
14 DMV and with the insurance companies. And so we turn to everybody
15 in the ecosystem to say help.

16 Mr. Burgess. Well it seems like there is some opportunities
17 there. And the insurance, when you have mentioned an insurance
18 company, that kind of leapt off the page I think because they had
19 your VIN number. I mean it is on your card. You have the card.
20 You have to buy it. The state requires you to buy it to drive
21 on their streets.

22 I appreciate the efforts that the automobile manufacturers
23 have made. I know I have seen full page adds in the Dallas Morning
24 News on several occasions, I think last summer when Dr. Rosekind
25 increased the recall notice.

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1 I don't doubt that the manufacturers have a very vested
2 interest in getting a defective car back and getting it fixed.
3 They don't want their customers put at risk. But there are other
4 people, as you describe it in the ecosystem. The insurance
5 company has that vehicle identification number and it is touched
6 once or twice a year. People go in for an oil change two or three
7 times a year. And then, of course, in my state, we have to go
8 get a state inspection and comply with all kinds of things. That
9 is another opportunity.

10 I like your statement of an every hands on -- all hands on
11 deck proposition.

12 Let me just ask you because this came up in an interview I
13 was doing this morning with one of my local television stations.
14 And they said they had a viewer who had received a recall notice
15 and was trying to get her car fixed and there was no part available.
16 How would you address that viewer? What can we tell her?

17 Mr. Bozzella. It is a very important question, Mr.
18 Chairman. And first, the customer should call the manufacturer.
19 It is very important that the customer call the manufacturer and
20 explain the situation, the vehicle, the VIN and listen to the
21 advice and counsel of the company that will tell them what the
22 parts availability situation is.

23 The customer should also reach out to the dealer and get
24 additional information about how the dealer is handling parts flow
25 into the dealership and the repair.

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1 I think these are really very, very important questions but
2 I would start very much with calling the manufacturer and asking
3 what that specific manufacturer's situation is.

4 Mr. Burgess. So, here is the real world situation. It is
5 the third or fourth owner. They didn't buy it from a dealer but
6 they know what the make of the automobile is. So, go to a Web
7 site and get an 800 number? What are the practical steps that
8 that person -- they took it to a garage. They said we would like
9 to help you but we can't get that right now, they are on back order.
10 That person should call the dealer -- not the dealer but the
11 manufacturer at an 800 number they can find on internet down at
12 their library if they don't have access to a computer?

13 Mr. Bozzella. That is correct. They can find the 800
14 number. They can go to the Web site. You will many manufacturers
15 have information on the Web sites specifically related to an open
16 recall. So, there is important information both at the Web site
17 and on caller assistance lines and consumer assistance lines.
18 And I think this is very important in addition to going to
19 safercar.gov.

20 Mr. Burgess. Well, I have gone way over time but I do want
21 to ask one additional question because we dealt with a problem
22 with an ignition switch a year, year and a half ago, 2 years ago.
23 Now, we don't hear about that any longer. Is that we don't hear
24 about it because the problem has been fixed and everyone has
25 brought their cars in and gotten the recall taken care of on the

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1 key that was switching off on the ignition or why is it that we
2 are not hearing any longer about those defects? Are they all
3 done? Are we at 100 percent compliance?

4 Mr. Bainwol. I don't know what the actual compliance rate
5 is but we will check it and come back to you.

6 Mr. Burgess. I appreciate that.

7 I am going to yield back to myself and recognize Mr. Guthrie
8 from Kentucky for 5 minutes.

9 Mr. Guthrie. Thank you, Mr. Chairman, for calling this
10 committee and thank you, everybody, for being here.

11 My first questions are on cybersecurity. And Mr. Bainwol,
12 Mr. Bozzella, could you provide information -- you brought an
13 update on the Auto ISAC Information Sharing and Analysis Center.
14 How much information sharing is occurring between members of the
15 Auto ISAC? And have any vulnerabilities been uncovered that were
16 not previously known to certain ISAC members through the
17 information sharing?

18 Mr. Bainwol. I will go first. So, the ISAC is up and
19 running. It was stood up by the end of last year. So, the portal
20 is working.

21 There is an exchange, at thread information. We have also
22 brought on -- begun the process of bringing in suppliers. NHTSA
23 has been briefed.

24 So, we are making progress. We are also involved in a best
25 practices effort, where the framework has already been

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1 established. And we will be rolling it out in more detail by the
2 summer.

3 As Dr. Rosekind mentioned, there has never been a market
4 cyber-attack just yet but we know it is coming and we are the first
5 industry to get ahead of the curve, to establish and ISAC before
6 an event actually occurs.

7 Mr. Guthrie. Thanks. Anything to add to that?

8 So, I will ask another question on that. Should cyber
9 vulnerabilities in vehicles be approached differently in terms
10 of the recall response from the agency and reporting requirements
11 from automakers than traditional safety defects found in the motor
12 vehicles?

13 Mr. Bozzella. It is an important question. When is a
14 vulnerability a defect and when is it not a defect? This is a
15 question that the agency is currently reviewing. It is a
16 conversation that we are having within the ISAC discussion among
17 the automotive associations. And it really does speak to why it
18 is so important that we extend the cybersecurity best practices
19 framework that we have already announced and start to build out
20 those cyber best practices. It is critical that we design cyber
21 security and that we think about it, not only think about it but
22 act on it throughout the design process, throughout the
23 manufacturing process and throughout the ownership process.

24 Mr. Guthrie. Should dealing with cyber issues be treated
25 within the recall system like safety defects? The system we have

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1 today, should cyber issues be treated similarly or should there
2 be a separate way to deal with that?

3 Mr. Bozzella. I think the short answer is it depends on the
4 circumstances. A vulnerability is not by definition a defect.

5 Mr. Guthrie. Right.

6 Mr. Bozzella. So, I think you have to start there. And then
7 the question is what is it that we are addressing with regard to
8 the systems in the vehicle and perhaps more broadly.

9 But a vulnerability is not, itself, an indication of a
10 defect.

11 Mr. Guthrie. I guess you have to say everything is
12 vulnerable to some degree, hopefully a very limited degree but
13 everything would be somewhat vulnerable, I guess.

14 Mr. Bainwol. When you slash a tire on a car, the tire, itself
15 is not defective. It is a malicious act. And so we think that
16 to some extent that does apply.

17 I think it is also important just to -- Dr. Rosekind made
18 the point earlier today that the cybersecurity issue requires
19 nimbleness. And one of the topics of discussion, not to open up
20 a can of worms but to go ahead and maybe go there a bit is how
21 do you manage change in a world in which technology and innovation
22 is happening very quickly.

23 And what Dr. Rosekind was saying was regulation does not
24 necessarily work fast enough to deal with the rate of innovation.

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1 And so that is a very, very important point and certainly is true
2 in the cyber case.

3 Mr. Guthrie. A quick question. I am going to turn to
4 Proactive Safety Principles and stick with you two for a second.

5 What is the timing for implementation of each of these
6 Proactive Safety Principles? And are you or member companies
7 having regular meetings with NHTSA to coordinate the
8 implementation of the principles?

9 Mr. Bozzella. We are working as associations to coordinate
10 the process. That coordination is already taking place and we
11 are in communication with NHTSA right now, as a matter of fact,
12 at the level of engagement with the administrator directly and
13 then more broadly.

14 Mr. Guthrie. Okay, I will go ahead and go to Mrs. Wilson.
15 How will the Proactive Safety Principles be reflected in the work
16 suppliers do with automakers or in the aftermarket context?

17 Ms. Wilson. Well, we have been asked by NHTSA and we are
18 now currently drafting our own principles that are -- we have a
19 thousand members. So, it is going to take it a little bit longer
20 to review them. And obviously, we want to reflect both the
21 responsibilities that our OE suppliers have with vehicle
22 manufacturers but also the impact of the aftermarket.

23 Mr. Guthrie. Okay, thank you.

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1 Ms. Wilson. We support the principles that were laid out
2 but, obviously, we feel like there is some other initiatives that
3 we think that are important for us to also address.

4 Mr. Guthrie. I just have a couple of seconds. So, Mr.
5 Wilson, how would it affect auto recyclers, the Safety Principles?

6 Mr. Wilson. I think on the automotive recycler side, I would
7 sort of lump us in to independent operators within that \$300
8 billion aftermarket space. And again, to make sure that
9 cybersecurity is protected.

10 You have other issues, security issues with vehicles that
11 the amount of folks that are able to work on those vehicles is
12 very, very limited based on those security concerns. And so we
13 have got to find a way to make sure that the independent operators
14 out there can work in that space, that they are not blacklisted
15 from working on that.

16 And I think the European Union has put in some good language
17 to work on that.

18 Mr. Guthrie. Well, thank you. It is the chairman's time
19 now. I don't know if you want to give her a chance. Do you want
20 her to respond? If the chairman allows.

21 Mr. Burgess. Proceed.

22 Ms. Wilson. Just one quick thing on the aftermarket, the
23 cybersecurity. There is some real work going on within the
24 industry. We talked about how we are training mechanics and
25 training folks who are going to service the vehicles and so the

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1 consumer would know when you take a vehicle to auto repair shop,
2 that they are dealing with someone who knows how to deal with
3 security issues.

4 Mr. Guthrie. Okay. If the chairman allows.

5 Ms. Gillian. Could I just add one thing? I know that Mr.
6 Bainwol talked about voluntary standards. And on cybersecurity,
7 I think that is a really strong case where we don't want voluntary
8 standards because voluntary means just that. You don't have to
9 abide by them.

10 And I think as we enter this brave new world of driverless
11 cars and the fear of cybersecurity problems, that that is when
12 we really need an agency like NHTSA setting those minimum
13 standards, so that everybody is playing by the same rules and that
14 consumers can be confident that these are not something that one
15 automaker decides to abide by and the other ones say well, it is
16 kind of expensive, we don't want to do this.

17 Mr. Guthrie. Well, thank you. My time is way over and so
18 I appreciate the chairman's indulgence and your answers. Thank
19 you.

20 Mr. Burgess. The gentleman's time has expired.

21 Seeing no other members wishing to ask questions, the chair
22 would inquire of the gentlelady from Illinois if she has concluded
23 questioning her thought?

24 Ms. Schakowsky. I do not and I need to go.

25 Mr. Burgess. The gentlelady needs to go.

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1 So, and it came up, Mr. Bainwol, Mr. Bozzella, and with you,
2 Mr. Wilson, the all hands on deck nature of this. And we heard
3 the very emotional testimony from Mr. Olson, who has now lost two
4 constituents to an airbag rupture. And it is important. We have
5 a role. You have a role. Perhaps we can enlist help from
6 insurance companies and state DMVs.

7 But let me just once again stress, moms and dads, brothers
8 and sisters, you have a role. And this data is easily accessible
9 to you. The lower left hand of your windshield is your vehicle
10 identification number, just inside the driver's side doorpost,
11 behind as you get in and out of the car on the driver's side.
12 Safercar.gov. Safe with an R car.gov and you can query the
13 database. Any time you take your car in for service, you would
14 ask the dealer have you queried the database.

15 This data will change. It is not static. We heard this
16 morning about another 30,000 cars that have been added for a
17 recall. So, the database, you can't just check it the first of
18 the year and be done with it. You need to check from time to time.
19 Perhaps an appropriate interval is when you take your car in for
20 service. But this has been, obviously a very important hearing
21 and I do want to thank all of our witnesses for being here today.

22 Before I conclude, I would like to submit the following
23 documents for the record by unanimous consent: a letter from
24 REMA, a letter from PCI, a letter to the National Automobile
25 Dealers Association.

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[The information follows:]

*****COMMITTEE INSERT*****

1 Mr. Burgess. Pursuant to committee rules, I remind members
2 they have 10 business days to submit additional questions for the
3 record.

4 Oh, and I forgot. I will have a question dealing with the
5 event data recorders that are in automobiles. And as to the
6 ownership of that data, who has title to that information? This
7 actually came up when we did the un-commanded acceleration
8 hearings several years ago. Who owns the data in the electronic
9 data recorders? And I will submit that for the record.

10 Ms. Schakowsky. I have one as well, if I could request.

11 Mr. Burgess. Sure.

12 Ms. Schakowsky. I would like to submit for the record the
13 letter that we received from Mrs. Houck and Mr. Brangman. Did
14 you already do that?

15 Mr. Burgess. Yes, I did.

16 Ms. Schakowsky. Oh, I am sorry. Thank you.

17 Mr. Burgess. I ask witnesses to submit their responses to
18 written questions within 10 business days upon receipt of the
19 questions.

20 It has been a good hearing. I think we have learned a lot.
21 I think we all recognize that there is still a lot to do and I
22 encourage people to check the NHTSA Web site. It is extremely
23 important.

24 With that, the subcommittee is adjourned. [Whereupon,
25 at 12:34 p.m., the subcommittees were adjourned.]

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