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STATEMENT OF CHARLES D. BAKER, ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, DEPARTMENT OF TRANSPORTATION, BEFORE THE SUBCOMMITTEE ON COMMERCE, HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, REGARDING H.R. 9353 and H.R. 4999, ON TUESDAY, NOVEMBER 9, 1971.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to testify today with respect to H.R. 9353 and H.R. 4999, both of which deal with the problem of automobile repairability and damage susceptibility. With me today is Douglas Toms, the Administrator of the National Highway Traffic Safety Administration.

I would like to begin my discussion of these proposals by addressing myself to the provision in H.R. 4999 for property loss reduction standards. I do so because the Department does not regard this provision as presenting a viable solution to the problem of automobile damage susceptibility. Rather, the unintended result of this provision is a substantial weakening of our efforts to save lives on the highways. I know this is not the purpose of the many sincere supporters of this measure. I hope today, therefore, to be able to articulate the Department's position in the sharpest and clearest fashion so that the Committee and the public can be made aware of the nature of the issue which we are discussing.

Mr. Chairman, the health and safety of the citizenry is, has been, and always will be a proper concern of the government. Through the National Traffic and Motor Vehicle Safety Act of 1966, the Department of

Transportation has been given the responsibility of reducing motor vehicle accidents and the deaths and injuries that result from such accidents. H.R. 4999, however, seeks to impose on this safety mission of the Department a responsibility to lessen the economic loss incurred in passenger motor vehicle accidents. In essence, this would be accomplished by issuing property loss reduction standards much as we now issue safety standards.

The Department is unalterably opposed to this scheme at this time. We do not oppose it because we believe there is no problem of damage susceptibility, but because we believe that the solution proposed by H.R. 4999 is not the correct one. The optimal solution may not yet have been fully identified. Nevertheless, we firmly believe that our proposal best approximates the desired solution. I will very shortly discuss the basis of our proposal, embodied in H.R. 9353, but I would first like to explain the basis of our opposition to H.R. 4999. The Department wants action in this area, but we want action consistent with our practical experience and the Administration's governmental philosophy.

I am sure that I need not review with the committee the magnitude of the highway safety problem in this nation. We all know, I'm sure, that more American lives were lost on our highways during last year alone than were lost during the entire Vietnam War. When the National Traffic and Motor Vehicle Safety Act and the Highway Safety Act were passed in 1966, the Congress and the people rightly expected a reduction in the

deaths on our highways. While there has been a reduction of deaths per mile driven, the total lives lost has until last year continually increased. This may be attributed to two causes. First, the problem is as complex as the people who operate the vehicles. Unfortunately, good sense just cannot be legislated. Secondly, it takes trained specialists to solve the technical problems that face us in this area. We are hopeful that last year's decline will be maintained this year. If only for this reason, now is not the time to dilute our efforts in the field of safety. We believe, quite frankly, that the adoption of H.R. 4999 would do precisely that.

One may ask how the bill would harm the safety effort if it provides full funding for an additional effort in the area of economic protection. Can't the National Highway Traffic Safety Administration merely hire additional staff to carry out its added responsibility? The answer to that question, in our professional and considered opinion, is no. There just are not enough qualified people available, at any price, to simultaneously mount a safety and damage susceptibility standards program. Since these people are not available now in the safety area, we cannot justify the diversion of trained personnel to other areas.

Let one thing be absolutely clear, Mr. Chairman. The damage susceptibility of automobiles does cost billions of dollars. However, elimination of this loss of money is not nearly so important as the prevention of death and injury. We can have a damaged fender repaired,

but we cannot buy back a single lost life. The question is purely and simply a matter of economics, and, quite frankly, human life and misery should not and must not be measured in economic terms. There is nothing so wasteful as a life lost, and nothing so precious as a life saved.

But even if the safety mission of the Department were not put in jeopardy by the proposal, another question of great importance is raised by H.R. 4999. Put in simplest terms, it is this: To what extent should a government interject itself into marketplace decisions? Clearly, the role of the government is not to regulate totally the life of its citizenry. The question then becomes one of defining the role of government in a free society. Should the government have the right to decide what the automobile that a person buys should look like? Should the government set the price of the automobile that a person buys? Should the government require that all the people pay more for their cars so that the few who are involved in accidents will pay less for their repairs? These questions do not apply only to automobiles; they apply to almost everything a consumer purchases.

We believe, Mr. Chairman, that a government should be responsive, but it must also be responsible. We believe that it must be sensitive to the needs of the people, but it must also be sensible. We believe that the government of a democracy has no more right to tell a person how much he must spend to repair his car than how much he must spend to buy the car in the first instance.

What we do believe, Mr. Chairman, and what we have articulated in H.R. 9353, is that the people should know what they are buying. If I

choose to buy an automobile that cost more than another to repair, I believe I should have that right. I may want a car that will hold six passengers instead of five; I may want a car that uses less gas; I may just want a car that impresses my neighbors. These are my decisions to make. The government should ensure, however, that I am able to make an informed, marketplace decision and that the car I choose is not inherently dangerous.

The essential superiority of a marketplace economy, Mr. Chairman, is that the people, not the government, decide what they want to purchase. Each person chooses that product which is best suited to his or her needs. In this way, products compete against each other and the fittest -- those which best satisfy the needs of the public at the least cost -- survive.

It is self-evident that for a marketplace economy to be truly effective, the consumer must make an informed decision. Sometimes the qualities of a product, such as its appearance, are quite apparent. Other times, characteristics such as the manufacturer's recommended retail price, can be hidden. In these instances, it is the proper role of the government to intercede on behalf of the citizen, as, indeed, it did under the Automobile Information Disclosure Act of 1958. Likewise, when the damage susceptibility of an automobile is hidden, the government should move to supply this information.

The Department's proposal would give the consumer the necessary information before purchasing an automobile by authorizing the Secretary of Transportation to do the following:

1. To develop and disseminate as widely as possible information on the damage susceptibility and crashworthiness of all major makes and models of automobiles if the development of such information is feasible and beneficial to the public interest.
2. To request, and, if necessary, require automobile insurance companies to furnish the Department with accident claim data relating to personal injury and property damage and the cost of remedying the damage. The data would be used in determining the feasibility of the program and to develop such consumer information.
3. To require automobile insurance companies to furnish the Department with a description of the extent their insurance rates or premiums for automobiles are affected by the damage susceptibility and crashworthiness of individual makes and models of automobiles.
4. To require automobile manufacturers to furnish the Department with information relating to their efforts to improve the

crashworthiness and reduce the damage susceptibility of their automobiles. The Secretary would have authority to make this information available to the public with appropriate safeguards.

5. To conduct a research and testing program, including the crash testing of automobiles, to aid in determining the feasibility of developing the consumer information and in developing such information.

This is not to say, however, that the Department plays no part in reducing damage susceptibility of passenger cars. Our bumper standard, No. 215, specifies requirements that will substantially improve the performance of the one vehicle system, to the best of our knowledge, which can also provide cost effective protection against property damage.

This standard is intended to protect safety-related vehicle systems, such as lights, steering, and braking, in low-speed collisions. It is also intended to reduce the frequency of bumper override and underride in higher speed collisions. In protecting these safety-related systems, the bumpers will necessarily also afford substantial protection to the sheet metal in the vicinity of the bumpers and the safety-related systems.

H.R. 4999 addresses another issue which I would like to discuss also, and that is the establishment of diagnostic centers and periodic motor vehicle inspection standards.

It is reasonable to believe, although it is yet unproven, that diagnostic centers will have some value to the public. Their development, however, raises certain yet unanswered questions which can only be answered through prototype investigation. We propose, therefore, that rather than embarking on the full-scale construction program envisioned in H.R. 4999, which we estimate will cost over one billion dollars, that we conduct demonstration programs to determine the feasibility and cost effectiveness of these centers. Frankly, we are concerned at this time that the present state of the art necessary to justify such an extensive system as proposed by H.R. 4999 is at least several years away. We have authority under section 403 of the Highway Safety Act of 1966 to move forward in this area and, indeed, are doing so. Current data does not indicate a smaller proportion of vehicle fatalities in states which have effective periodic motor vehicle inspection than in states which do not. Yet, common sense would seem to indicate the opposite result. We would hope by a sophisticated demonstration program, therefore, to finally resolve the issue.

In summary, Mr. Chairman, you and the Committee and the Congress are now faced with two proposals to solve what we all agree is a major problem of automobile damage susceptibility and repairability. One proposal, H.R. 4999, would, in our view, encumber the motor vehicle safety effort of the Department. We have lived with our responsibility for saving lives ever since the creation of the Department, and we believe

that if H.R. 4999 is enacted, the dollars saved in automobile repair costs will result in lives lost on our highways. On the other hand, we feel that our proposal, H.R. 9353, would result in a better informed consumer able to make his decision based on full knowledge of the characteristics of the vehicle he is purchasing. This, we believe, is the proper governmental representation of the public interest.

Thank you. Mr. Toms and I would now be willing to answer any questions you may have.

