Final

STATEMENT OF THE HONORABLE RICARDO MARTINEZ, M.D.
ADMINISTRATOR
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON TELECOMMUNICATIONS, TRADE AND
CONSUMER PROTECTION
HOUSE COMMITTEE ON COMMERCE

May 22, 1997

Mr. Chairman, and Members of the Subcommittee:

Thank you for your invitation to testify on the reauthorization of the National Highway Traffic Safety Administration (NHTSA). With me today are Philip R. Recht, our Deputy Administrator, Robert Shelton, our Associate Administrator for Safety Performance Standards, Kenneth Weinstein, our Associate Administrator for Safety Assurance, and Ralph Hitchcock, our Acting Associate Administrator for Research and Development.

NHTSA's mission is to prevent deaths and injuries from motor vehicle crashes, and reduce traffic-related health care and other economic costs. We do this in the areas of motor vehicle safety and consumer information and cost savings by carrying out several legislative mandates. Let me highlight our activities and plans for the future in these areas and summarize our recent legislative proposals and authorization requests. We begin with the broad problems NHTSA is dealing with and the current traffic safety picture.

THE NATIONAL TRAFFIC SAFETY PICTURE

NHTSA's programs have contributed to real progress in highway safety. There have been significant reductions in the motor vehicle fatality rate. In 1966, when the agency's motor vehicle safety statute was enacted, the fatality rate stood at 5.5 deaths per hundred million vehicle miles traveled. Today, it stands at 1.7, the lowest rate recorded. Approximately 1,357,746 more people would have died in traffic crashes from 1967 through the end of 1996 (30

years) if the 1966 rates had remained constant.

Despite this significant progress, recent statistics show there is no room for complacency. After years of steady decline, the total number of highway deaths increased from 1993 to 1995. Motor vehicle crashes are still the leading cause of premature death of our Nation's youth. In 1996, 41,500 people died and over 3 million more were injured in police-reported crashes.

Although our fatality rate remains at an all-time low, highway crashes still cost the Nation $150.5 billion per year. This represents the 1994 value of lifetime economic costs for 1994's 40,676 fatalities, 5.2 million nonfatal injuries, 3.7 million uninjured occupants, and 27 million damaged vehicles, in both police reported and unreported crashes.

Taxpayers share in these costs. Twenty-four percent of all medical care costs associated with motor vehicle crashes are covered by public revenues (14 percent from Federal revenues and 10 percent from State resources). In 1994, the $13.8 billion in medical, rehabilitation, and income support costs paid by Federal and State programs was equivalent to $144 in added taxes for each household in the U.S.

The cost of motor vehicle-related deaths and injuries to society and their consequences on human lives requires constant effort to reduce these tragedies. The Federal government has recognized that motor vehicle-related deaths and injuries are a major public health problem. NHTSA has a lead role in making motor vehicle safety a priority of the nation's health care agenda. We do this by conducting research to improve motor vehicle and highway safety, determining specific motor vehicle and highway safety problems that need to be addressed, putting into effect programs to address these problems, setting motor vehicle safety standards for the manufacture of new motor vehicles and equipment, and evaluating the results of our efforts.

Some factors are tending to increase risks on the highways:

- The number of older and younger drivers is increasing
- The use of alcohol and other drugs is rising.
- Seat belt and child safety seat use has leveled off.
- Speeding and other forms of aggressive driving are increasing.
- With the growing economy, travel is increasing.

NHTSA's programs are highly cost effective. Fatality and injury totals, and their costs would be significantly higher if not for the effectiveness of these programs. Since 1992, safety belts, child safety seats, motorcycle helmets, and the 21 minimum drinking age laws have saved 40,000 lives. Air bags have saved more than 1,900 lives. Costs of highway crashes would have been $30 billion higher in 1994 (versus 1990) if not for injury rate reductions due to these and other highway safety and motor vehicle programs.

SAFETY PERFORMANCE STANDARDS

NHTSA's motor vehicle safety authority under Chapter 301 of Title 49, U.S. Code, enables us to develop and issue Federal motor vehicle safety standards to improve the safety performance of new motor vehicles and motor vehicle equipment.

Improving air bag safety is the top priority of our safety performance program. We testified before this Subcommittee on April 28 on air bag and child safety. We are continuing to address the rulemaking issues we discussed at that hearing.

Our Safety Performance Standards office also is pursuing other priorities. For example, in February, President Clinton announced our proposed Universal Child Restraint Attachment

system to resolve incompatibilities between child restraints and motor vehicle seats that make it difficult for parents to install the child restraints correctly. We are pursuing harmonization issues in the areas of side impact protection, offset frontal crash testing, a worldwide headlamp beam pattern, and improved head restraint designs. Last week we announced a major effort to add ratings for rollover susceptibility to other vehicle safety performance ratings we already provide to consumers, and issued a request for comments on NHTSA's planned efforts to improve consumer information on motor vehicle safety.

SAFETY ASSURANCE

I would like to turn now to a brief discussion of our safety assurance program. Through this program, we seek to ensure that any safety defects or failures to comply with our Federal motor vehicle safety standards are quickly detected and remedied. The safety assurance program is critical if we are to ensure that the drivers and occupants of motor vehicles are not exposed to an unreasonable risk of crashes or death or injury from crashes. This program also supports the agency's activities to prevent odometer fraud.

I am pleased to report that our oversight of the safety of the motor vehicle fleet continued at a high level in 1996. Our Offices of Defects Investigation and Vehicle Safety Compliance are a central part of NHTSA's efforts to provide consumer service, prevent crashes, deaths and injuries, and reduce health care costs. There were 226 safety defect vehicle recall campaigns during the year, involving 15.8 million vehicles. An additional 39 recall campaigns to remedy noncompliances with safety standards involved another 1.2 million vehicles. NHTSA investigations influenced the recall of three-quarters of these 17 million vehicles. In addition,

1.2 million equipment items and tires were remedied in 38 recalls. We opened 108 defect and 48 noncompliance investigations in 1996.

In addition to conducting investigations, the Safety Assurance Office monitors the scope of recall campaigns, the adequacy of the remedy, and the effectiveness of owner notifications. Critical activities in both the investigative and monitoring areas focused on safety belts, air bags, child safety seats, and school buses.

We begin most of our investigations because of owner complaints. Many of these owner complaints are initiated as calls to our toll-free Auto Safety Hotline (800-424-9393). During 1996, the Hotline received over 778,000 calls from consumers seeking information on such issues as child seat recalls, air bag safety and New Car Assessment Program (NCAP) test results, as well as providing information related to actual and potential enforcement actions. Many callers are able to obtain the information they need through the automated phone system without speaking to a representative. However, more and more consumers favor the personal assistance provided by a representative. During 1996, NHTSA representatives assisted 40 percent of the total callers as compared to 28 percent in 1995.

The Internet is an excellent supplement to the Auto Safety Hotline for consumer access to safety information and for reporting potential safety-related defects. Since NHTSA opened its website (http://www.nhtsa.dot.gov/index.html) in April 1996, we have received over 1,900 vehicle defect complaints through the Internet. However, only a small portion of households in the United States have access to the Internet, making it unavailable to the vast majority of Americans. Additionally, a survey conducted by NHTSA's Auto Safety Hotline revealed that 70 percent of the callers would prefer to speak directly to a person who can answer questions.

Therefore, these are complementary avenues for obtaining and reporting safety information, and both must be used to gain the maximum amount of exposure to NHTSA and the services it offers.

RESEARCH AND DEVELOPMENT

I would now like to briefly mention NHTSA's motor vehicle safety research and development efforts. These programs include data collection and crash investigations to ascertain the magnitude and the source of driver and motor vehicle-related programs; research in the biomechanics of injuries that helps provide an understanding of how injuries occur in crashes; research to identify hardware countermeasures having the potential to advance the crashworthiness of vehicles; and research and investigations of new Intelligent Transportation System (ITS) technologies that have the potential to help drivers avoid crashes.

These efforts are laying the groundwork for a new generation of safety improvements. During the next few years, many new improvements in the safety of motor vehicles, such as advanced air bag systems, will become standard equipment in the U.S. fleet. The benefits of these improvements will be seen gradually as the new vehicles enter the fleet.

NHTSA's motor vehicle safety research and development activities fall under three basic areas: (1) crashworthiness; (2) crash avoidance; and (3) data collection and analysis.

In the area of crashworthiness research, the key development in the last year has been the establishment of the National Transportation Biomechanics Research Center (NTBRC), with a goal to focus and enhance NHTSA's biomechanics research and to explore the application of this research to all modes of transportation. The five principal objectives of the NTBRC are to:

- Produce new human dummy models for crash tests.
- Enable and enhance virtual testing by computer.
- Shorten research and development time.
- Streamline conception to product inception.
- Intermodal training and dissemination.

Improvements in air bag design and performance will be a major goal of our crashworthiness research program over the next couple of years. Advanced air bag technologies need to be fully evaluated, tested, redesigned as needed, and incorporated into vehicles as soon as practicable. While frontal air bags have been our first priority, side impact air bags and perhaps even inflatable head restraints for rear impacts will need significant research attention in the next several years.

The next major frontier of improvements in the crashworthiness of vehicles will be to improve the "compatibility" of vehicles in crashes. The nature of the vehicles on our roads is becoming increasingly diverse. Trucks are getting larger, and light trucks, sport utility vehicles, and minivans are increasing in popularity. Recent crash studies have shown that the mismatches in vehicle weight, size, height, and geometry are contributing to injuries and fatalities in vehicle-to-vehicle crashes. NHTSA has a major program to address the issues associated with vehicle compatibility.

Vehicle-to-vehicle crash testing, using sophisticated test dummies and extensive load and injury measuring instrumentation, is among the most expensive research that NHTSA undertakes. Nonetheless, over the next decade, this type of research has the most promise to improve the design of all types of vehicles so that future crashes will result in fewer injuries and

fatalities.

NHTSA's crash avoidance research has several components. Under DOT's Intelligent Transportation Systems (ITS) program, NHTSA is conducting research to demonstrate that improved crash avoidance performance of vehicles can be achieved through the application of advanced sensing and communication technologies, such as radar-based rear-end collision avoidance systems. A principal goal of ITS research is to assure that sensing and communication technologies are matched to the limitations and capabilities of all drivers without any diminution to safety.

Based on our research to date, our near-term goal in ITS is to develop an improved understanding of system capability, user acceptance, and potential safety benefits. One way to obtain a better understanding is to equip vehicles with collision avoidance systems to demonstrate their feasibility and safety potential. We expect to do this in partnership with industry. We estimate that if all vehicles were equipped with just three of the primary ITS crash avoidance systems--rear-end, roadway departure, and lane change/merge--up to 1.2 million crashes (one out of every six!) could be prevented annually, saving thousands of lives and $26 billion a year, when all vehicles are equipped with these countermeasures.

The National Advanced Driving Simulator (NADS)--a world-class research tool that will be used to simulate the driving environment to better understand what causes drivers to become involved in crashes--is a key element of NHTSA's Crash Avoidance Research Program. Last year, we contracted with TRW, Inc., to build this facility, which is projected to become operational in May 1999. When it is operational, the NADS will allow the agency to conduct research into the complex driver-vehicle interactions that contribute directly to the cause of more

than three-quarters of all vehicle crashes, without placing drivers at risk. The NADS also will be used extensively to test and evaluate advanced safety and driver information technologies currently being developed in DOT's ITS program.

NHTSA's National Center for Statistics and Analysis (NCSA) is responsible for our data collection and analysis program. The data collected by NCSA are vital to the vehicle and behavioral programs of NHTSA, the Federal Highway Administration (FHWA) and other Departmental programs, State and local governments, as well as the vehicle manufacturers, insurers, and safety interest groups.

Injury control relies on data resources describing the crash event, the human, environmental and vehicle-related parameters that make each crash unique as well as details on the injury outcome and associated health and other economic costs. Data are collected on a census of fatal crashes through NHTSA's Fatality Analysis Reporting System (FARS) and on a nationally representative set of all traffic crashes through NHTSA's National Automotive Sampling System (NASS). Data that describe statewide police reported crashes also are collected directly from States. All these data bases collectively serve as the basis for planning and implementing successful vehicle and behavioral safety programs by Federal and State agencies as well as the private sector. Analysis of the data supports problem identification, program planning, consumer education, and program evaluation.

NCSA has plans for a major occupant protection use survey, increased air bag crash investigations, a detailed study of all injuries to occupants of air bag-equipped vehicles treated in hospital emergency rooms, and an expansion of the agency's Special Crash Investigations (SCI) activity to provide a better understanding of real-world air bag performance. The SCI is a quick

reaction crash investigation activity in which an investigator is sent to the crash site when the agency learns of serious air bag crashes.

Two years ago, NHTSA's Crash Outcome Data Evaluation System (CODES) project demonstrated the usefulness of "linking" data by providing the agency with evidence that people who do not use occupant protection devices incur greater health care costs. State interest is very high in linking crash and medical outcome data, and NHTSA's staff have provided data linkage technical assistance to many States. State crash data, both linked and unlinked to medical outcome data, are essential to our safety mission as well as to the States, and we plan to continue this important activity.

NHTSA'S AUTHORIZATION AND TRAFFIC SAFETY PROPOSALS

Now I would like to turn to the Administration's legislative proposals.

Authorizations. Title II of H.R. 1268, the Administration's "National Economic Crossroads Transportation Efficiency Act of 1997" (NEXTEA) would authorize all of NHTSA's programs out of the Highway Trust Fund for the next six years. Currently, NHTSA derives about 72 percent of its total funding from the Highway Trust Fund.

Section 2004(a)(2) of the bill, "NHTSA Operations and Research," would authorize appropriations for NHTSA's traffic and highway safety under Section 403 of Title 23, U.S. Code ("Highway Safety Research and Development"), Chapter 301 ("Motor Vehicle Safety") of Title 49, U.S. Code, and Part C of Subtitle VI of Title 49, U.S. Code ("Information, Standards, and Requirements), of $147,500,000, for each of fiscal years 1998, 1999, 2000, 2001, and 2002, and $151,335,000 for fiscal year 2003.

Our proposal to shift the funding of these programs to the Highway Trust Fund is in

keeping with the Department's policy that programs with identifiable users be funded as much as possible through user fees.

Traffic Safety Proposals. NHTSA's proposed motor vehicle safety and cost savings amendments are contained in Title IX of the Administration's "Surface Transportation Safety Act of 1997." Title IX contains a number of amendments concerning NHTSA's motor vehicle safety and cost savings programs.

The first proposal would enhance the ability of the motor vehicle manufacturers to conduct real-world field testing of innovations that will increase safety, by enabling the Secretary to determine, on a case by case basis, the appropriate number of a manufacturer's motor vehicles that may qualify for a temporary exemption from compliance with a Federal motor vehicle safety standard during any 12-month period.

Currently, section 30113(d) authorizes the Secretary to grant such a safety exemption for only up to 2,500 of a manufacturer's vehicles if the exemption would facilitate the development or field evaluation of new safety features that provide a level of safety equivalent to or exceeding the level of safety established in each standard from which an exemption is sought.

The agency does not believe there is a valid basis for limiting these exemptions to no more than 2,500 of a manufacturer's vehicles in each of these areas. On the contrary, we believe the limitation of 2,500 vehicles per year may be much too low to provide manufacturers with sufficient economic and marketing incentives to undertake the kind of extensive, real world evaluations of potential safety improvements the exemption is intended to encourage. Increasing this number--with the caveat that the exemption would only be granted to test innovations to increase safety above the level provided by current standards-- would correct this.

One particularly important reason for this provision is advanced air bags. Some of the new technologies being considered for advanced air bags will shut the system off or greatly modify the deployment pattern under certain conditions. While none of the changes would compromise safety, some of these concepts may not meet all the requirements for automatic occupant restraints. It is important to be able to evaluate these new technologies that could ultimately enhance safety, in relatively large numbers to obtain statistically valid and meaningful field experience on a timely basis.

If granted this authority, we will, of course, exercise it with great diligence to safety and only after public notice has been given and the public has had an opportunity to comment.

The second proposal closes a loophole in the motor vehicle safety statute by prohibiting retailers of motor vehicle equipment from selling defective items of equipment that they have in stock. Though current law prohibits a new car dealer from selling a defective item of replacement equipment, such as a headlight, it allows auto parts stores to sell such a defective item and allows retailers to continue to sell defective child safety seats. This proposal corrects this omission.

The third proposal adds a new chapter, "Titling and Control of Severely Damaged Passenger Motor Vehicles," to Title 49, U.S. Code, to implement the recommendations of an Advisory Committee created by the "Anti Car Theft Act of 1992." That Advisory Committee was statutorily charged with making recommendations on Federal and State actions needed to achieve uniformity in State laws regulating the titling and control of severely damaged passenger motor vehicles. This new chapter would require the States to use uniform definitions for titling severely damaged passenger motor vehicles and to adopt related control systems.

The lack of uniformity in State laws on vehicle titling, registration, and salvage of used passenger motor vehicles increases the likelihood that the theft of these vehicles will go undetected. In addition, this lack of uniformity in State laws permits unscrupulous sellers to sell these vehicles without disclosing that they have been severely damaged. Vehicles sold in this manner often have titles that have been "laundered" to remove such information. Removing salvage history from a vehicle's title aids sellers who intend to mislead potential buyers about the condition and the value of these vehicles. In addition, passenger motor vehicles that have been severely damaged, either through crashes or acts of nature such as floods are often repaired without inspection and make their way back on the Nation's roads and highways -- posing a danger to the lives of their operators, passengers, pedestrians, and other motorists. The lack of a safety inspection for rebuilt salvage passenger vehicles clearly may pose a risk of death or serious injury. Likewise, a theft inspection may ensure that these vehicles are not rebuilt with stolen parts. The proposed new chapter addresses these and related issues.

The fourth proposal clarifies the Secretary's authority to engage in harmonization activities that promote the worldwide improvement of motor vehicle safety. As our proposal states, these efforts will be consistent with our motor vehicle safety statute and will not result in any lessening of U.S. safety performance standards. Any proposed regulatory changes resulting from these activities would have to be consistent with our existing safety statutes and would be fully and publicly considered.

Finally, Title IX also includes a number of regulatory reform proposals, submitted last Congress in the Department's regulatory reform initiative. They include amendments to reduce paperwork and streamline the regulatory process, reduce burdens resulting from several

reporting requirements, and eliminate unnecessary pneumatic tire labeling standards.

Mr. Chairman, this concludes my statement. My colleagues and I would be pleased to answer any questions you might have.

#