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Opening Remarks

for

Hearing on Proposed Fuel Economy Standards  
for 1980-81 Light Duty Trucks

January 16, 1978

Good morning. The purpose of this hearing is to obtain public comments on our proposed fuel economy standards for nonpassenger automobiles that will be manufactured in model years 1980 and 1981. Nonpassenger automobiles are typically referred to as light duty trucks. They include most pickup trucks, vans, and light utility vehicles. The unloaded weight of these vehicles is generally between 3,500 lbs. and 5,000 lbs. Their gross vehicle weight rating, which includes their payload capacity, ranges up to 8,500 lbs.

In recognition of the differences between 2-wheel drive and 4-wheel drive light duty trucks, we have proposed separate standards for those two groups of vehicles. Further, we have proposed standards with and without captive imports averaged together with domestically-produced vehicles. The proposed standards are as follows:

	2-wheel drive		4-wheel drive	
	<u>1980</u>	<u>1981</u>	<u>1980</u>	<u>1981</u>
Without captive imports	19.2	20.5	16.2	17.7

With 6 percent of captive imports averaged in	19.7	21.0	16.6	18.0
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The benefits of these standards to the country and consumers would be substantial. Over the life of the 1980-81 light duty trucks, about 12 billion gallons of fuel would be saved. While the standards might add \$125 to the cost the average light duty truck, that cost would be overshadowed by an estimated \$735 in fuel savings over the life of the average light duty truck.

The analyses underlying the proposed standards are based largely upon data provided us by the vehicle manufacturers and suppliers of parts and materials in the summer and fall of last year. It is important to note, however, that the submissions of the manufacturers are primarily related to the improvements they plan. Our analyses are based not only upon those plans, but also upon estimates of the additional steps the manufacturers could readily take, but may not yet plan to take.

Our analyses show that the manufacturers could meet the proposed standards without novel technology, without major vehicle or engine redesign, and without introduction of new models not already planned. We recognize that there is insufficient time to design, develop and produce entirely new models by 1980-81. Thus, the light duty trucks of 1980-81 should look very much like the light duty trucks of today.

The capital investment necessary to meet these standards is fairly modest. We estimate the total investment for the two years at about \$260 million for all domestic manufacturers com-

bined. It should be noted that this investment will enable most domestic manufacturers to not only equal the standards, but also will permit some of them to exceed the standards by as much as 1 mpg. It should also be understood that this is a maximum figure. If the fuel economy improvement efforts already being undertaken by the manufacturers were included, the figure would be less.

Nevertheless, meeting the proposed standards will involve some difficulty. This is consistent with the statutory requirement that the fuel economy standards for light duty trucks, as well as those for passenger cars, be set at the maximum feasible level. This means that the standards are not to be based simply on the manufacturers' existing programs for improving fuel economy or even simply on those programs plus the manufacturers' planned future programs. The standards must also be based on the additional steps that the manufacturers could take, but have not elected or planned to take.

Recent events have demonstrated the wisdom of Congress in setting up a fuel economy program that includes light duty trucks. While passenger cars are more numerous, the sales of light duty trucks have been increasing far more rapidly than the sales of passenger cars. Many persons are buying light duty trucks and using them as passenger cars and recreational vehicles. The increase in light duty trucks rated between 6,000 lbs. and 8,500 lbs. gross vehicle weight has been particularly great. Several years ago, there were half as many new light duty trucks rated at between 6,000 lbs.

and 8,500 lbs. gross vehicle weight as there were new light duty trucks rated at 6,000 lbs. gross vehicle weight or less. Now, there are twice as many of the heavier rated trucks sold as there are of the lighter rated trucks sold.

The effect of this rapid growth in the number of light duty trucks on fuel consumption could be devastating. If there were no improvement in the fuel economy of light duty trucks beyond that required by the very modest standards for 1979 light duty trucks, the steadily increasing amount of fuel consumed by light duty trucks would, by the mid-1980's, offset the fuel saved as a result of our fuel economy standards for passenger cars.

As vitally important as energy conservation is, it is not, of course, the only consideration bearing upon our level of fuel economy standards. In determining the maximum feasible level of fuel economy, we are also required by statute to consider (1) technological feasibility, (2) economic practicability, and (3) the effect of other Federal vehicle standards on fuel economy. At the same time, Congress indicated that the standards were not necessarily to be based upon the capabilities of the manufacturer with the lowest projected fuel economy.

Some manufacturers have stated that the proposed standards could cause them significant economic problems. By means as yet unknown, a draft version of the proposal became

available to the manufacturers during the interagency review process. After the proposal was finally drafted, but before it was issued, several of the domestic manufacturers came to us to express their concern about the possible economic effects of the proposal. Their apparent desire was that lower standards be proposed. We did not, however, change the proposed standards. We will consider what changes, if any, need to be made in the proposed standards only after all interested persons have had a chance to be heard.

We expect the issue of the economic effects of the proposal to be fully explored in this proceeding. This issue has several facets. One is the availability of capital to finance the changes necessary to meet the proposed standards. Another is the proposal's possible effect on employment. For example, Chrysler Corporation has suggested that the proposal might lead to a change in its very recently announced plans for converting one of its oldest plants in downtown Detroit from the production of full-sized cars to the production of vans instead of shutting down the plant altogether. Still another is the effect of our need to import large quantities of petroleum on our balance of payments deficit and our national economic well-being. Imported petroleum is by far the largest factor in creating our current large balance of payments deficit. Further, our dependence on foreign oil is a substantial contributor to inflation which financially injures all employed workers and unemployed workers.

The proposal cites a variety of other issues which I

hope will also be thoroughly discussed here. The proposal recognizes that the resolution of these and other issues could effect the final standards by as much as 1 mpg or more. Based on the prepared statements of the manufacturers, it appears that there are many arguments and items of information that have yet to be fully presented to us. Among these important issues are the following:

- Is there sufficient leadtime for the manufacturers to change their plans to take fuller advantage of their capabilities to improve fuel economy?
- Should domestic manufacturers be permitted to average their captive imports together with their domestic trucks?
- Did we use an accurate procedure for estimating the fuel economy of current light duty trucks rated between 6,000 lbs. and 8,500 lbs. gross vehicle weight?
- To what extent will consumers accept performance reductions?
- Will the 1979 federal emission standards cause a fuel economy penalty?

Before calling the first witness, I would like to make a few comments about the conduct of this hearing. I ask that all prepared statements by witnesses be limited to not more than 15 minutes. At the close of each statement, the panel may question the witness. Members of the audience are invited to submit written questions for witnesses to the hearing clerk at the front of the auditorium. The clerk will give those questions to the panel. The panel will determine whether, considering available time, relevancy, and other

factors, the questions should be asked. We will ask as many of those questions as we can.

In view of the critical distinction between plans and capabilities, manufacturers are urged to state clearly which they are speaking about in discussing potential fuel economy improvements.

In answering questions, witnesses should provide their best estimate or projection where certainty does not exist. In those instances, the witness should explain the sources and significance of any uncertainty.

Questions should be answered as completely as possible here at this hearing, rather than deferring answers to subsequent written submissions. Much of the value of a public hearing lies in the opportunity to ask questions. That value is lost if the questions are not answered orally here. However, necessary supporting data and details may be furnished in writing subsequent to the hearing.

Would the first witness please come forward now and be sworn in?



**U.S. DEPARTMENT OF TRANSPORTATION  
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

WASHINGTON, D.C. 20590

REMARKS BY JOAN CLAYBROOK  
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before the  
Economic Club of Detroit

Detroit Plaza Hotel

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Thank you for your invitation. Unlike many of your past speakers, I am standing before you not to tell you what you want to hear. For I interpret your invitation as an opportunity for candor, an occasion to share with you some thoughts you would do well to hear.

For over a year, as a member of the Carter Administration, I have observed the rising temperature of a feverish corporate assault on government regulation, particularly that regulation which spurs business to advance health and safety goals for our country. In widely circulated advertisements, letters to shareholders, pamphlets, speeches, testimony and trade association materials, the themes are relentlessly repeated. The Federal Government is accused of unnecessary regulations which cause inflation, retard innovation, sacrifice jobs and divert capital investments from productive pursuits. These emotional denunciations have their customary verbal shorthands: "Big Government", "Business Confidence", "Over-Regulation", "Bureaucratic Bungling", "Undermining the Free Enterprise System", and similar monikers.

These broad brush accusations against government agencies and their officials are rising to levels of intensity which should no longer go unchallenged. But almost always public servants, who are sworn to uphold the laws of the land and serve the people, remain silent. In my opinion, responding to such charges is no longer an option; it is a duty. Left without response, they can do much more damage than mislead the public and generate a wholly unwarranted loss of respect and hope for legitimate

Government initiatives. They can demoralize conscientious people who are trying to improve conditions within industries and they undermine efforts to develop technical means for life preserving progress in worker, consumer and environmental areas. In addition, the heat of such rhetoric can delude corporate managers into thinking that working up frothy growls can make their shortcomings go away.

I believe the captains of industry are capable of more wisdom and statesmanship than their current posture exhibits if they are continually confronted with facts, humane values and the law. Stretching their consciences instead of their tongues would be a much more fitting legacy for those who follow in their stead. So grit your teeth. For today I ask you please to listen as parents, consumers, citizens and business people, in that order.

The Federal Government is fast becoming big business's all-purpose scapegoat and whipping boy. Corporate mismanagement, economic crime, waste, monopolistic practices, bureaucratic dry rot, and the NIH (Not Invented Here) rut are promptly transformed into the "blame Washington mania." Major shortcomings in the economy are hoist upon the White House or specific Federal departments.

Here are some examples of the corporate mind set reflected in current company statements:

- If there is inflation, Washington is the cause and only Washington can do anything about it.

- If there is unemployment, Washington's policies are its taproots and the obstacles to its reduction.
- If there is disease-producing pollution, it's a necessary by-product of a technological society and Washington's pressure to curb this long standing violence and destruction of property and health interferes with "progress."
- If there is a serious incidence of job-related disease and injury, make OSHA into a four letter word instead of cleaning up these scourges of the workplace.
- If filth, adulterants and harmful additives are in meat & poultry products, don't clean up your own industry. Pass the collection bucket for a war chest against the USDA and the FDA.
- If a company or industry is not doing well, it is Washington's fault for not serving up additional "incentives," such as tax preferences or treasury checks.

The business sector is engaged in a massive drive to heap major expectations and ills upon the Federal Government which properly belong to the private business sector. For at last reading, the American economy was still overwhelmingly in corporate hands from the mines that produce the raw materials, to the land that produces the food and fiber, to the factories which manufacture the goods, to the office buildings that house the capital and managerial resources. Possession and control of such wealth deserve not just the plaudits or success, but the burdens of failure as well.

It is a gross disservice to this country for industry and commerce to redirect public attention away from themselves and toward Washington whenever something goes awry in the private economy. This is not only the case because the wealth in our country is privately held, but also because the corporate economy has such a strong role in deciding how public revenues and resources are to be used. Yes, business regulates government quite frequently. The heavy industry of persuasion is a major part of the Washington, D.C. economy.

After President Carter, in his statement two weeks ago, listed the ways the Government will try to reduce inflation, he went on to say something that needs to be said many times: "But it is a myth that the Government itself can stop inflation. Success or failure in this overall effort will be largely determined by the actions of the private sector of our economy."

The obligations of corporate wealth will not be met as long as all roads lead to Washington and its billions upon billions worth of annual subsidies, loan guarantees, protection from competition, inflated contracts, tax preferences and other special interest legislation. Those kinds of "Big Government" goodies are not subject to corporate indictments. Uncle Sam is fine when he plays Uncle Sugar. Rare is the company who wants to get Uncle Sugar off its back. How many trucking or airline companies are ready to shoulder the old fashioned rigors of market pricing and

entry by supporting President Carter's deregulation proposals to put the regulators of these industries out of business?

Let the obvious be said. Competition is the essence of the free enterprise system yet more and more businesses strive to find ways to limit or avoid competition. Competition is apparently all right for the other fellow or for Chamber of Commerce speeches.

Business interests are actively opposing the emerging pro-competition policies of the Carter Administration and not only in traditional antitrust arenas. The recent efforts of the Federal Trade Commission as described by Chairman Michael Pertschuk are cases in point.

"We've taken the cause of deregulation forcefully to brother and sister agencies, promoting competition as an alternative to regulation: to the ICC, pleading for more price competition, easier entry, and limitation of anti-competitive rate structures; to the FCC, calling for a wider swathe for competitive freedom in domestic communication satellites; to the CAB, re-enforcing Chairman Kahn's rigorous inquisition of past regulation; to the Department of Agriculture, decrying the anti-competitive impact of marketing orders for fruits and vegetables; to HEW citing competitive conflicts inherent in physicians' dominance of medical school accreditation ...

"We've intervened to ensure that health care financing institutions not be used to stifle development of innovative health care delivery systems -- like health maintenance organizations. We're investigating allegations that groups of health care providers have boycotted insurers in retaliation for aggressive cost control programs. And we're examining the allegation that physician control and influence of the Nation's 70 or so State and local Blue Shield plans limit the insurers' competitive zeal to bargain for effective cost controls."

Would you care to compare the number of companies and trade associations girding to do battle against this effort to restore a competitive market system compared to the firms and groups that are up front in support of the competitive enterprise?

It is compellingly clear that to many corporations, Government is fine when it is the subsidizer of last resort, the lender of last resort, the guarantor of last resort, the insurer of last resort and the cartel-defender of last resort. But when Uncle Sugar becomes Uncle Sam, the people-protector of last resort, the corporate tiger bares his teeth and snarls.

In regulating for health and safety, Government assumes one of its most basic functions. President Carter has said that "the test of any Government is not how popular it is with the powerful, but how honestly and fairly it deals with those who must depend on it." Too many companies or industries have refused to recognize both the multiple hazards of their technology and the legitimate interest that our Government has in the public's health and safety. This intransigence persists despite thalidomide disasters, extensive pesticide and other chemical pollution, oil tanker breakups, gas pipeline explosions, dangerous cargo train derailments, grain elevator and chemical plant tragedies, food-borne diseases, contaminated drinking water and the overall degradation of our human environment.

Health and safety laws that require investment in preventing these harms are not considered "productive" -- surely one of the most twisted interpretations ever given to a word. Tell the victims that it is not "productive." Tell the companies who produce and sell the pollution control equipment that it is not "productive." Tell the workers who work for these companies that it is not "productive." Tell future generations of people and business that it is not "productive" to preserve and prolong the natural resources and the natural health of our society.

It is time for the companies and workers who manufacture and service health and safety equipment to speak out and let others know what they know: Hundreds of thousands of jobs have

been created due to orders for technology and materials necessary for compliance with health and safety laws. Innovation and small business activity have been generated. On the other side of the ledger, few jobs have been lost because of these laws as documented by the White House Council on Environmental Quality. Is there a better investment in America than an investment in the nation's overall health?

The auto industry is not one of those industries still opposing the principle of Government safety regulation. Several leading auto company executives have made this clear in the past year. Chrysler's Chairman, John Riccardo, declared that "the need for reasonable regulation of the automobile, in the areas of safety, clean air, and energy conservation, is well established and deserves our full support." Henry Ford II was even more charitable in retrospect when he said on "Meet the Press" last October: "Well, first let me say that we wouldn't have had the kinds of safety built into automobiles that we have had unless there had been a Federal law. We wouldn't have had the fuel economy unless there had been a Federal law, and there wouldn't have been the emission control unless there had been a Federal law."

These remarks highlight an important understanding of the domestic auto industry's relationship to Federal regulation. The industry fights proposed regulations that it later candidly or grudgingly approves. Memories do not have to be long. The Big Three fug...

against California's and later Washington's modest air pollution control efforts. They fought against the auto safety legislation in 1966. They opposed the proposed installation of shoulder harnesses a year later on the grounds that they were not a safety advance. They resisted agency calls for major vehicle recalls. There are many other examples but the point is clear. The Big Three's credibility from an historical perspective is not high. For too often by their own later admission or behavior, they have been proven wrong or very shortsighted.

It is not just how things turned out that reflect adversely on the domestic industry's credibility. It is also how some auto companies a fraction the size of the Big Three have shown they can do what the Big Three stated could not be done.

The story of Honda and its stratified charge engine (imported from the U.S. and refined) has been told many times. The story of Volvo (ranking 27th in passenger car sales) is also known -- first with shoulder harnesses, right up there developmentally with air bags and crash safety and now selling the first ranking car on the California Air Resources Board list of least polluting vehicles. Saab was number two on the Board's list.

These illustrations and others suggest how important diversity and competition are to the consumer. Also noteworthy is that these smaller companies are doing these things in spite of adverse U.S. market conditions for imported vehicles flowing

from a reduction in the comparative value of the dollar.

Given this background and the fact that business is booming for the domestic auto companies, it is dismaying to hear once again the cacophony of strident declarations that raise unfounded spectres designed to thwart needed national objectives. Is it even responsible oratory for a Ford Motor Company Vice President, Bennett Bidwell, to say that the early Eighties is "the point in time when the family car or van, for all practical purposes, begins to disappear?" I for one do not believe so. Neither, I might add, do many non-speechmaking engineers and scientists inside the auto companies, who, as Fortune Magazine recently pointed out, are challenged and stimulated by these regulatory goals. And neither can Secretary Adams who last week unveiled a new research safety vehicle derived from a 1977 six-passenger Impala, weighing 900 pounds less, designed with fuel economy at 27.5, crash protection at 40 mph frontal and 30 mph side, meeting 1980's emissions standards -- and put together with existing technology which costs little, if any more, than production vehicles.

In recent months, other top officials of the American automobile industry have delivered a number of attacks on government regulation of the industry. They have charged, among other faults, that the regulations impede growth, stifle innovation, put workers on the streets, and hamper the industry's ability to compete internationally.

John Riccardo, in a Detroit speech on January 17 said air bags were a product of "overregulation" which will cost \$250 to \$300, and the overall result of federal regulation would be a \$1000 per car "ripoff" to consumers in the middle of the next decade.

On March 1, Lee Iacocca, President of Ford Motor Company, spoke of the "threat" of regulation. "Among other things," said Mr. Iacocca, "it is seriously retarding scientific progress, contributing to inflation, damaging competition, costing American workers their jobs and crippling American business in the world marketplace."

Thomas Murphy, Chairman of General Motors, has recently written the President calling for reasoned federal regulations. In his letter, Mr. Murphy states that at one time or another he has described the regulatory agencies as "unresponsive, ineffective, and unreasonable." He declares that in the early 1980's the average retail price of a car could increase by more than \$800 because of federal regulations and this is not only inflationary but could result in widespread buyer resistance.

I want to examine briefly the fundamental issues raised by these criticisms -- the need for regulation, how responsibly the regulatory process is carried out, the costs imposed on the industry and specifically the overall effect of the National Highway Traffic Safety Administration's (NHTSA) rulemaking on the industry and the economy.

Most industry comments or regulations relate the costs of standards but not the benefits. This is analogous to a corporate annual report containing a detailed list of expenses but omitting revenues.

To attempt to quantify safety benefits, NHTSA undertook in 1975 an analysis of the societal costs of motor vehicle accidents. In examining a variety of costs resulting from accidents -- such as foregone income, medical care, insurance administration, legal and court costs -- it was estimated that the cost to society was \$38 billion annually. Updating the analysis for 1977 shows a societal cost of over \$43 billion. The increase is due mainly to sharp increases in insurance (up 44% in the 2 years) and hospital and medical care (up over 20%). These are only the more readily quantifiable economic losses, which in no way measure the tragic human loss of 47,000 persons dying in motor vehicle crashes and the millions of others who are seriously injured. The disruption to normal family life imposed by crashes, the witnessing of a child's death, and the mental stress of caring for a once active productive member of society who will forever be confined to a wheel chair cannot be quantitatively measured.

Automobile fatalities are the sixth leading cause of death in the nation. Often unnoticed within this problem is the poignant recognition that the deaths are concentrated among the young -- traffic crashes are the leading cause of death for the population 35 and under. The need to regulate the automotive sector is underscored

by the costs of the failure to sufficiently improve automobile safety.

A quantitative index for the necessity of regulation is the number of vehicles recalled for safety-related defects. An average of about 5 million vehicles have been recalled each year for correction of defects that pose a safety hazard. The fact that the number of recalled vehicles continues unabated indicates a certain quality control laxity on the industry's part, even while faced with a very visible Federal regulatory presence. If the Government did not look over the industry's shoulders, it is a certainty that a majority of the 65 million vehicles recalled would be on-the-road with their defects unremedied.

In the area of regulations for fuel economy, the need is even less obscure. The oil shortage of 1973-74 taught us what could happen if we continue to rely heavily on foreign sources for oil. Our national defense and economic fabric is subject to the whims of foreign governments. Certainly, conservation in the motor vehicle sector, which consumes about 40 percent of all petroleum in the Nation, is an absolute necessity. As alternative means of transportation for most individuals are still in the future and since drastic changes in driving patterns do not seem acceptable, passive means to conserve petroleum are proper. The regulating of average vehicle fuel economy is the means to achieve this end.

How responsibly is the National Highway Traffic Safety Administration regulating the industry? Henry Ford, in a Newsweek article, speaks of "an insidious kind of power. It lacks accountability, has few real restraints ..." Although not speaking directly of our agency, a parallel can easily be drawn.

First, we are, of course, directly accountable to Congress and the President. Further, whenever companies have disagreed with any proposed or issued regulation, they have not hesitated to take full advantage of regulatory and judicial appeals.

Also, we have established procedures which promote public scrutiny and comments on our proposed regulations. The agency has just recently published a five year rulemaking plan for motor vehicle safety and fuel economy. This plan contains descriptions of currently planned rules with proposed publication and effective dates so that the industry and the general public can comment on the priorities, costs, benefits and other aspects of any specific regulation.

In addition, we have our own procedures for conducting detailed economic impact assessments of all our regulations and their impact not only on industry, but also on consumers and society in general. For over a year, these Impact Assessments have been placed in the public docket for comment and, as yet, the agency has not received significant industry rebuttal to these analyses. This lack of response

response indicates to the agency that it is issuing practicable regulations, attainable by the industry, and is not, as Mr. Iacocca suggests, "crippling American business."

Also, over the last two years, we have begun a systematic evaluation of our existing standards to determine their effectiveness. Based on the results of these evaluations, standards may be amended or revoked.

The prime source of data on the costs of implementing our regulations is the manufacturers themselves. We estimate the costs of all of our proposed regulations but since the standards are set in terms of performance rather than specifying hardware or design, the individual manufacturers are often free to choose from a number of options to meet a standard. Furthermore, some manufacturers may choose an option which substantially exceeds the minimum requirements of a standard while others may just meet the minimum level.

Data from the manufacturers have been collected by both the National Highway Traffic Safety Administration and the Bureau of Labor Statistics (BLS) -- the latter for use in acknowledging quality changes when computing the consumer price index. The data that BLS collects are useful for obtaining general explanations (e.g., new safety or emission standards taking effect) for annual retail price increases but cannot be used for directly estimating current consumer prices of vehicle safety standards. There are several reasons why not.

The first is that the reported prices often include one-time costs that pertain to a particular model year but are not necessarily continuous costs. Second, the first year's change may often be more expensive than those in later years, even if it does involve a continuing cost item. For example, motor vehicle manufacturers are always looking for a more economical way to achieve a stated goal, whether through better designs, lighter or thinner materials, etc. When a safety standard first becomes effective, some items can only be added to the vehicle instead of being designed into the vehicle. Thus, as a vehicle is redesigned the cost of a standard for the new vehicle, relative to when the standard was first introduced, may decrease. For example, to meet Federal standards, bumpers were first increased drastically in weight. Yet now, with even more stringent standards, bumpers are lighter, through the use of innovative materials, and cost less.

In a 1976 survey to automobile manufacturers, the National Highway Traffic Safety Administration asked the following question: "For each safety standard presently implemented for passenger cars, what will be the reduction in retail price if that standard is revoked...?" Although manufacturers varied widely in

their individual responses (overall reductions ranged from \$12 to \$385) the sales weighted average was \$80. Yet in response to another question, some manufacturers claimed our standards added \$368 to the price of a vehicle.

Third, the data reflect retail price changes to consumers and not solely the cost of standards to manufacturers. Therefore, they reflect manufacturer and dealer profit. Since manufacturers and dealers choose to add on a profit margin to the cost of safety features, it seems contradictory to turn around and complain that Federal regulations are negatively affecting sales and are too costly to consumers.

Lastly, the automobile industry is not known for strict cost-based pricing. Automobile prices do not usually reflect the manufacturing cost of particular vehicles. Rather, because of the wide range of products offered by manufacturers, costs can be recovered where they will least affect sales -- such as on those vehicles whose sales are not very sensitive to price (e.g., the Seville and other luxury cars). Hence, the auto industry does not uniformly and directly translate the costs of standards into retail price equivalents.

Another useful frame of reference is to compare the cost of optional equipment. A recent study for the Department of Transportation showed that in 1975 the average General Motors car had \$847 in options, the average Ford vehicle, \$748. Specific examples are air conditioners, now costing about \$500 and supplied as original equipment on 82% of all new cars; automatic transmissions, costing about \$300 and supplied as an option on 41% of all cars; and vinyl roofs, about \$120 and supplied on 48% of all cars. When all of the various options are added, the average 1977 vehicle had approximately \$900 of its price comprised of convenience and comfort options versus less than one-third that amount for safety requirements.

Or compare the hundreds of dollars of mere styling costs in the overall price of the vehicle.

Now compare the cost to the economy and humans of not applying technology to safer, cleaner, more efficient vehicles. Can any auto executives not make these missions a top, personal priority given these comparisons?

Industry executives are particularly critical of the major upcoming regulations which have been promulgated but have not yet become effective. These include an upgraded bumper standard, passive restraints, and fuel economy standards for passenger cars and for light trucks and vans. Contrary to Mr. Riccardo's claim, the estimated added price for a passenger car by 1984 with these standards will be approximately \$285 in 1977 dollars but this will be offset by a more than three-fold direct out-of-pocket saving to the consumer in addition to reductions in thousands of highway casualties.

Finally, is the cost of meeting standards inflationary? The Bureau of Labor Statistics, which computes the Consumer Price Index, says it is not. In its computation of the price of its constant "market basket," in which the price of new cars is included, BLS does not include "quality changes" such as those generated through meeting mandated safety standards. Thus, BLS conceives of compliance with safety standards as improving the quality of a vehicle and not increasing its price. In less procedural terms, it does not appear to be disadvantageous to a consumer to pay \$285 more for a 1984 car than a 1977 one if it saves that consumer \$890 over the life of the vehicle. Indeed, because of the heavy travel by newer vehicles, the \$285 dollars can be recouped through decreased operating expenses within two years of its purchase. And for trucks and vans, the fuel economy standards in particular will result in consumers spending 6 cents to save a gallon of gasoline which would have cost them at least 65 cents.

Were there more time, I could go on and note how Government standards are stimulating innovation, are spurring the domestic auto industry to reduce the fuel efficiency gap between its vehicles and the foreign competition and are expanding employment in the auto industry from the research and development staffs to the assembly line. Instead, I would like to conclude with a few suggestions for the executives of the auto industry.

First, consider a less narrow definition of freedom, one that gives the people freedom from unnecessary casualties, excessive fuel inefficiencies, auto repair frauds and pollution diseases. Which freedom would you want to bend toward and strive for -- in the perspective of what America stands for -- the freedom to die on the highway or the freedom to survive on the highway? On the highway and throughout our industrialized economy, we are increasingly interdependent. To make this interdependence more beneficial and less costly, our nation is dedicated to the liberating rule of law, justly developed and applied. It borders on the anarchical to say, as did Mr. Bidwell recently, that "every new regulation, every new law, diminishes the totality of freedom -- even if it's only somebody's freedom to sin."

Second, try to replace negativism with a more "can do" attitude on health, safety and fuel efficiency goals. Just as you believe it critically important for top auto executives to always be upbeat on sales prospects to motivate your sales force, your technical people deserve similar backing. They need to hear that you crave to save lives at least as much as you crave to sell cars. Why did GM become a booster of the air bag in 1970 when it stated that this safety system would be on all GM cars and light trucks by the 1975 models? Because of the leadership of Ed Cole. One executive at the top can turn around even a giant like GM. If you doubt that, look what happened to passive restraint policy when Ed Cole retired.

Third, look for more ways to encourage new ideas and allow fuller expressions of dissent. Dissent is often another name for incipient innovation. It is also a way for top managers to be more accountable to those below them and consumers outside them. A bright new horizon is ahead, if the managers are willing to perceive their relation to it.

Consider this excerpt from the latest annual report (1977) of CALSPAN -- a firm that has worked closely with the auto companies. "By the mid-1980's, American motorists may be riding around in automobiles that protect motorists in head-on crashes up to 50 mph, have soft plastic front ends in case pedestrians are struck, do not need spare tires, have fully passive restraint systems and get good gas mileage."

"The readily-producible RSV (Research Safety Vehicle) is designed to provide frontal and rear crash protection in barrier impacts up to 50 mph, the equivalent of hitting a parked car at 100 mph. It offers passenger protection in car-to-car side impacts up to 45 mph, protection to pedestrians when they are struck at speeds up to 20 mph and low-speed car-damage protection. The entire front end, made of compressible soft polyurethane, weights only 31 pounds ..."

"By now demonstrating that occupant protection in 50 mph collisions is possible we are making a quantum jump from a crash energy-management point of view," says Dr. Edwin A. Kidd, CALSPAN's RSV program manager, ... "and we're doing it with a small car

(under 2700 pounds) with limited deceleration space ahead of the occupants."

Fourth, be prouder of your safety innovations, such as the air bag-equipped cars. GM still has some 10,000 air bag-equipped cars installed before the option unfortunately was dropped. They have worked reliably and effectively to prevent casualties in the crashes that have occurred. But you would think that GM had installed the bubonic plague in these cars by the way they shun this breakthrough and leave the promotion up to Allstate et al. This view does not auger well for the 1980's and the likelihood that the American public will truly have a choice among passive restraint systems.

Fifth, improve the design of safety belts and advance more of your resources and skills to achieve higher rates of usage. It's worth the effort. Restraint systems make the difference between life and death or serious injury in most auto crashes.

Sixth, take a broader view of your power to do good. Time and time again, business executives who have broader perspectives have been viewed in history with far greater respect than their tunnel vision counterparts. Specialization, immediate performance standards, and material incentives for advancement up the corporate ladder have their place. But taken to an extreme they can be as self-destructive of business as they are of society in the longer run. There is a modest place for applying the Golden Rule, for displaying empathy with the victims on the highway. Perhaps spending a few days a year with highway crash investigation teams would be a useful way to invoke the deeper feelings of compassion that are often suppressed by the daily rat race.

The national polls show that the American people, by a wide margin, support Government health and safety standards. In a Harris poll, released last month, Americans were asked to rate the importance of nine proposed improvements in the nation's transportation system. Improving auto safety finished far in front as number one. Eighty-three percent of those polled rated that quest as "very important." Given the size of the job that we all must work toward accomplishing, such popular support provides a good climate for what Transportation Secretary Brock Adams has called the "socially-responsible automobile."

Thank you.

STATEMENT OF JOAN CLAYBROOK, ADMINSTRATOR OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON INVESTIGATIONS AND REVIEW, JUNE 6, 1978.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here to testify in response to your request to participate in today's hearing on automobile safety belt use. We would like to review the Department of Transportation's comprehensive and systematic program to promote safety belt use and our assessment of the likely extent of increased use as a result of these efforts. With me today are Howard Dugoff, Deputy Administrator, Chuck Livingston, Acting Associate Administrator for Traffic Safety Programs, and Dr. Robert Knaff, Director of the Office of Driver and Pedestrian Research.

BELTS ARE EFFECTIVE WHEN PROPERLY WORN

The Department strongly advocates safety belt use. Studies in this and other countries all confirm our long-held position that safety belts are effective in preventing deaths and injuries when properly worn. The most comprehensive study of safety belt effectiveness in the United States, conducted for the Department by the University of North Carolina in 1975-1976, demonstrated that the likelihood of death or serious injury in an accident is more than 2 times greater for unbelted front seat occupants in a crash than for occupants using a lap-shoulder belt. A few foreign

countries with mandatory use laws, such as Australia, have measured use rates of up to 70 percent and experienced fatality or injury reductions conservatively estimated at 10-20 percent.

The Department of Transportation has required installation of lap-shoulder belts at the driver and right-front passenger positions since the beginning of the Federal motor vehicle safety standards in 1967, despite initial opposition to their installation by the domestic automobile manufacturers and their trade association. No responsible party now doubts that safety belts are effective when used properly.

PROBLEM: LOW BELT USE

While safety belts are proven lifesavers, the great majority of Americans do not use them. Our most recently completed survey, conducted in 1977, indicates that the overall rate of safety belt use in the United States, which has never significantly exceeded 20 percent, is now decreasing. The survey shows safety belt use in metropolitan areas to be about 6.8 percent for the lap belt alone and 11.7 percent for the lap-shoulder combinations, for an overall average use of 18.5 percent. In a follow-on survey currently underway, we are seeing more discouraging data which show not only further reductions in overall use but that the latest model cars have lower use than their comparable predecessors.

Other studies indicate that groups that suffer the greatest rate of deaths and injuries are also the least likely to "buckle up" -- drunk drivers in particular. In brief, our hopes for increased belt use have not been realized in the 10 years the Department of Transportation has been working on this problem.

#### RESEARCH AND EVALUATION

The Department has examined carefully and systematically every method available to us to encourage increased belt use. Unlike many who have expressed concern about lack of belt use, the Department has spent much time and money in testing, evaluating, and applying these methods to overcome the problem of low belt use. Our research on occupant restraint use has made fundamental contributions to the understanding of the factors which influence safety belt use.

We have also conducted major studies to determine the effectiveness of belts in reducing deaths and injuries. Our actual crash tests and the North Carolina study of 15,000 tow-away crashes are perhaps the best examples of our efforts in this area.

We have conducted surveys throughout the country to monitor the level of safety belt use as well as public attitudes toward belt use. These studies have been underway continuously since 1971.

We have also studied patterns of belt use in foreign nations, both those countries that have mandatory use laws and those that do not, so that we might learn from the successful programs of other nations as well as from their mistakes.

Since 1970, we have spent approximately \$2 million on research and evaluation studies concerning safety belt use. This amount does not include about \$4 million spent on the research required for various rulemaking activities connected with safety belts, about which we have reported from time to time to the Committee on Interstate and Foreign Commerce. Our future plans call for continued research in: (1) monitoring national use rates; (2) evaluating media and educational efforts; (3) determining the most effective use-reminding devices; and (4) determining optimal belt system designs for comfort and convenience.

A search of our computerized highway safety research index has turned up abstracts of 657 studies that address safety belt use, the content of which has been taken into consideration in our analyses. We would be pleased to leave a copy of the printout with the Subcommittee to assist its review of this issue. Also, we would welcome hearing from any witness participating in these hearings or any other interested person who has valid data on the safety belt use problem which could be added to these studies.

## POSSIBLE WAYS TO INCREASE BELT USE

Our research and evaluation efforts have determined three general categories of actions which can be taken to increase belt use:

- \* Mass media and educational programs;
- \* Hardware options (relating to comfort and convenience as well as use inducing devices); and
- \* Belt use laws.

I would like now to summarize our efforts in these areas and our plans for the future.

### A. MASS MEDIA AND EDUCATIONAL PROGRAMS

The foreign and domestic evidence indicates that mass media and educational programs directed at a general audience, even those saturating a given locale, have not substantially increased voluntary safety belt use. Most experts agree that overall use rates greater than 20 to 30 percent would not be attained by means of mass media campaigns. For example, in Ontario, Canada, an extensive media campaign before passage of a mandatory safety belt use law in 1976 only succeeded in increasing voluntary use from 15.5 to 17.5 percent. Comparable intense promotion of belt use in Australia before passage of mandatory laws never increased use above 20-25 percent. France, Sweden and England have also conducted campaigns with similar results.

In the United States, early studies of mass media

efforts by the NHTSA and the Insurance Institute for Highway Safety showed no change in observed safety belt use. The most recent effort to increase voluntary belt use was sponsored by the automobile manufacturers and conducted by Motorists Information, Inc. Radio and TV spots were professionally developed and audience tested. A multimedia approach including TV and radio was used, utilizing paid advertising time instead of public service spots. The campaign was conducted over a nine-week period at a cost of about \$900,000, and was supplemented by a local speakers bureau program. Motorists Information made more than 42,000 observations of belt use in cars stopped at traffic intersections in Southeast Michigan, and reported an increase in belt use from 12.4 percent before the campaign to 16.8 percent afterwards. However, the DOT and the Insurance Institute for Highway Safety independently measured safety belt use (at fewer sites but with a comparable number of observations) and found belt use at about 15 percent both before and after the campaign.

Directing educational efforts to specific groups (such as school children and driver education students) may offer a greater possibility of affecting belt use patterns. In 1972, the NHTSA began the development of such materials, including a program for elementary schools. A test of the school program indicated a slight but significant increase

in belt use among the children. Subsequently, we continued development of similar "packages" for a number of other groups. These "packages" of pamphlets, booklets, and an audio-visual program were first distributed nationally in 1973. The materials were revised and updated in 1976 and again distributed nationally in 1977 and currently in 1978. We have a stack of such materials with us to leave with you today as examples of what we are distributing nationally in abundance. While it is likely that some additional belt use may be gained from these efforts, any increase in the overall belt use rate will probably be modest.

With regard to the education of school children in belt use, we should not ignore the great learning potential inherent in belt installations on school buses. The Department proposed school bus belt installation in 1973, but at that time the National School Transportation Association and some State school organizations vigorously opposed installation. Although belts were not mandated by the final rule, some think that a great opportunity was lost to familiarize children with the practice and value of buckling up. Our current thinking is that we should evaluate this approach for its potential to increase belt use. The whole issue of proper restraint of children on school buses is complicated, of course, by the continuing practice of carrying three students on each

narrow bench seat that may be adequate for three small children seated abreast, but not for three older students who also use the same buses.

We have recently developed a manual, which I would like to submit for the record, for State safety personnel to encourage safety belt use programs among a number of identified groups within each State (e.g. legislators, law enforcement personnel, motor vehicle department personnel, civic organizations, etc.). This manual will shortly be distributed to NHTSA Regional Offices and to the Governor's Highway Safety Representatives in each State. We plan to use this manual in a series of State seminars to encourage initiation and continuation of State belt use programs.

We would now like to show you some footage for a DOT public service announcement, drawn from a Chrysler Corporation film, that graphically demonstrates safety belt effectiveness, along with examples of comparable Canadian films. [SHOW FILM]

We have also developed TV film strips, such as the one just shown to convey the dynamics of the crash event, and to show the differences in likely injury to restrained and unrestrained occupants. We are planning to use these materials in the near future in a national campaign designed to encourage greater use of restraint devices.

To our knowledge, no film has previously been developed for mass-media distribution to show the dynamics of a car crash. Our evaluation of this film's impact will be particularly important for judging whether showing the crash dynamics makes a significant difference in increasing belt use.

Currently, we are attempting to coordinate the efforts of the many varied national groups which have an interest in this area (e.g., the American Automobile Association, the National Safety Council, the insurance industry, Motor Vehicle Manufacturers Association, the American Safety Belt Council, and others).

To date, we have spent approximately \$700,000 on the development, printing and distribution of educational materials for promotion of belt use among specific groups, and approximately \$100,000 on the development of mass media materials. We intend to continue our efforts in this area and have budgeted \$250,000 for fiscal year 1979.

#### HARDWARE OPTIONS

One approach to improving voluntary safety belt use is to ensure that the belts installed in new cars by the automobile manufacturers are as comfortable, convenient and reliable as possible. Comfort and convenience factors have long been cited by the public for not wearing belts. Indeed, we have seen clear instances in which discomfort

and inconvenience have produced lower wearing rates. Belt use is, of course, responsive to a multiplicity of factors, some of which act to obscure the relationship between use and belt system design and operation. Nevertheless, many of us have sufficient experience with problems in using certain belt restraints to appreciate why some individuals cannot or will not cope with them.

Thus, in 1973, we conducted research to identify the sources of, and solutions for belt system discomfort and inconvenience problems. The results of this research, along with our strong recommendations for their incorporation, were widely disseminated to the auto industry. Frankly, the agency has been quite disappointed by their lack of response.

We would like to show now a short film that illustrates some of the obvious comfort and convenience problems of 1978-model safety belt systems. [SHOW FILM]

Federal requirements for an ignition interlock, a device originally advocated by members of the auto industry, significantly increased belt use in 1974 model cars, but Congress prohibited us from requiring such devices early in the 1975 model year. We have continued our research into alternative use-reminding systems, in an effort to determine which systems might be more effective than the current 4-8 second light and buzzer warning device. One innovation would be a

sequential warning which sounds only if the occupant fails to follow the proper sequence of buckling up.

### C. USE LAWS

The primary alternative to these voluntary approaches to increasing belt use is passage and enforcement of a belt use law in the individual States. Experience abroad with belt use laws demonstrates little increase in belt use where there is weak enforcement. There is less than a 50-percent improvement in Canada's Ontario Province, a jurisdiction culturally similar to the United States. In jurisdictions with conscientious enforcement and monetary penalties, increased belt use up to 70 and occasionally 90 percent has been claimed.

The reduction in death and serious injury has not been consistent with the increase in belt use, however, because the same driver groups that tend to ignore the belt use law also tend to be those with the highest accident involvement rate. Even so, if 70 percent of passenger car occupants in the United States wore their safety belts, this would result in 7,500 fewer lives being lost annually than at present use rates.

Unfortunately, there is much opposition in the United States to belt use laws. A 1975 Highway Users Federation study found that 41 percent of the public supported belt use laws but that 49 percent opposed them. The Motor Vehicle Manufacturers Association commissioned a 1976 survey that

found 60 percent of Americans opposed to belt use laws.

In November 1973, the Department sponsored a Safety Belt Use Conference in Washington, D.C. concerning the range of issues associated with the adoption, implementation, and evaluation of belt use laws. Following this conference in 1973 and 1974, 50 bills regarding safety belt use laws were introduced in the legislatures of 27 States. None, however, became law.

Congress authorized substantial incentive grants to States that enacted belt use laws in 1973, and \$300,000 was given to Puerto Rico when it adopted such a law. However, in 1974 our Appropriations Act contained no funds for safety belt incentives. This omission was explained on the House floor by the Chairman of the Appropriations Subcommittee as meaning that DOT funding was not to be used for belt use law incentives.

The tone of this discussion may be characterized by the following remark by one congressman:

I said I do not want to come in here next year and find out that one penny was spent for incentive payments to the States. I was reassured by all members of the Conference that this was their intent, and it should be a message to DOT also.

The Subcommittee chairman responded to this statement by stating:

I want to assure the gentleman that by striking out the \$5 million which was added by the Senate,

there is no money for incentive grants for mandatory seat belt use. I know there will be no money expended by the Department of Transportation for this purpose.

As a result of this action by the Appropriations Committees, we have been constrained to do little towards encouraging the States to enact belt use laws.

There are other examples of congressional opposition to regulations intended to make drivers use safety devices. As I mentioned earlier, in 1974 Congress prohibited the industry-proposed "ignition interlock" feature in new cars. "Big brotherism" by the Federal government was a commonly cited reason for prohibiting that device. In 1976 Congress prohibited the Department from withholding highway safety funds from States that fail to pass laws requiring motorcycle helmet use, despite the demonstrated life-saving benefits of these laws.

Both of these congressional actions suggest strongly that Federal encouragement of belt use laws would not be tolerated by the American public or State governments. Although the ignition interlock could be fairly easily and legally defeated or disconnected permanently, a significant part of the public still found it unacceptable. Belt use laws might be considered even more onerous because they could result in repeated violations of traffic laws by the most responsible and law abiding citizens.

Motorcycle helmet use laws were opposed by a relatively isolated and limited constituency even though helmets are the only protective device against head injury available to motorcyclists. The case for belt use would be weaker than for helmets because other means of providing at least partial protection to automobile occupants are available for the occupant who chooses not to use safety belts. It is clear to us that resistance to a Federal policy of strong encouragement of belt use laws would be greater than has been demonstrated against the two safety measures already discouraged by the Congress.

This Subcommittee has investigated the experience with the mandatory belt use law in Puerto Rico, passed in 1973, which prescribed a \$25 fine for not wearing safety belts. Initial publicity regarding the law resulted in an increase in belt use of from 4 to 25 percent. However, a substitution in the law in 1974 of warnings for fines, coupled with a lack of enforcement, resulted in a gradual decrease in use to about 7 percent.

A mass media campaign begun in early 1975, together with the issuance of warnings by the police, resulted in an increase in use to about 25 percent. An additional change in the law permitting fines for first offenders, together with an increase in enforcement, brought belt use

to 33 percent. Enforcement was once again reduced, however, and in spite of continuous media efforts through 1976 and 1977, use has again decreased to its present rate of 7 to 8 percent. We are presently exploring with Puerto Rico the possibility of their strengthening the enforcement of the law, which is critical to the success of any belt use law, and for establishing a procedure to evaluate the results.

Our belief at this point is that unless there is some change in the attitude of Congress or the public, efforts by the Department to encourage belt use laws are unlikely to succeed. However, we still may be able to pursue belt use laws for specific groups such as children. Currently, we are supporting the evaluation of the Tennessee Child Restraint law and the media campaign which is associated with it.

The Tennessee Child Passenger Protection Act became effective on January 1, 1978. The Act requires the parents of children under four years old to protect them when they are riding in the parent's vehicle, either by placing them correctly in child restraint systems that meet Federal safety standards or by holding them in the arms of adult passengers. Despite this law's allowing the unsafe and virtually useless practice of holding a child for restraint, it has become the focus of a great deal of national attention.

Baseline data show child restraint use rates before the effective date of the law ranged from 5.6 percent in rural areas to 13.6 percent in Nashville and Knoxville. Data that will provide the first indication of the impact of the law are presently being evaluated. As far as we can tell, implementation is proceeding smoothly with strong support from State agencies and public and medical groups.

The law was enacted through the initiative of the medical community in the State. Early in the legislative process, NHTSA helped draft a model law and we provided complete informational support as requested and NHTSA staff testified on the value of belt use at legislative hearings.

It is the Department's view that the Federal government may best encourage enactment of similar laws in other States by supplying technical and informational support and model legislation to State safety officials and medical and civic groups in the States. A program to provide informational support to concerned citizens would go far in helping get State child restraint laws enacted. We look forward to providing information which might aid other States in the enactment, implementation and evaluation of similar child restraint laws.

#### CONCLUSION

Having reviewed the possible approaches to increasing safety belt use and the Department's efforts to date, we would like to describe briefly our plans for future action.

We do not consider Federally sponsored safety belt use laws as politically realistic in the United States at this time. However, we believe that State adoption of belt use laws is still a possibility. We do not think mass educational techniques alone would increase use significantly, but we believe such efforts can result in a more informed and receptive public. Tailored educational programs for special groups may provide the potential to increase use significantly in those populations. Improved convenience, comfort, and reliability in day-to-day operation of belt systems in new cars have the potential for increasing use somewhat. Ignition interlocks were effective in increasing use but were not palatable to Congress nor to the American public as a whole.

While we have learned that no single approach will provide a fully adequate solution, we believe that a combination of judiciously chosen approaches should be pursued, because the payoff of increased belt use is so great. Therefore, our present plans call for a mix of the most promising approaches tailored to the circumstances in which they are employed.

This completes my statement, Mr. Chairman. We would be pleased to submit for the record any or all of the materials which we have referred to. We would be pleased to answer any questions you or members of the Subcommittee may have.

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STATEMENT OF JOAN B. CLAYBROOK, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, BEFORE THE SUBCOMMITTEE ON THE CONSUMER, SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION, CONCERNING THE REGULATION OF ODOMETER FRAUD UNDER THE MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT AND THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT, JULY 26, 1978.

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before your Subcommittee today to discuss the Department of Transportation's efforts to combat odometer fraud and the direction of the Department's present program in this area. With me today are Howard Dugoff, Deputy Administrator, John Womack, Assistant Chief Counsel for General Law and Highway Safety, and George Parker, Acting Division Chief for Crash Avoidance.

Odometer fraud in the United States today amounts to a multi-million dollar rip-off of the consumer. Annual used car sales in this country have approached the 20 million mark. Consumer complaints and agency investigations indicate that in a significant number of these transactions, the seller unfairly overcharges the buyer by underrepresenting the vehicle's mileage. Without accurate mileage information the purchaser may be unable to determine whether the vehicle is in safe operating condition or when preventive maintenance is necessary to keep it safe.

The market in which used cars are bought and sold is much more complicated than the new car market and has a larger and more varied group of participants. In place of

the straightforward manufacturer-distributor-dealer-consumer chain that characterizes new car sales, a used car transaction may involve only two parties, as in the so-called "private sales" between individuals, or as many as eight or ten, as in the case of cars that enter the large wholesale markets in New York or Chicago. There is evidence that in each category of used car transaction there are individuals who make an unlawful profit through odometer fraud.

Private sales, which now account for 20 percent of all used car sales, are sometimes the occasion for do-it-yourself odometer fraud. Broken odometers go unrepaired, speedometer cables are disconnected, and, in some cases, the odometer wheels are manipulated. We do not have a specific estimate for the frequency of fraud in private sales and probably never will, but we know that it exists and there are private civil actions to document it.

Used car distributors, wholesalers and dealers and the used car lots of new car dealers are on occasion directly involved in fraud, either by having their own employees spin odometers or by hiring itinerant odometer spinners to do the job for them. Wholesalers, particularly the smaller ones without any retail business whom the trade labels "curbstoners," are the problem in many areas. Some may be strictly local in their operation, picking up a car from one lot, adding tires and a new paint job, spinning the odometer, and selling it to a second dealer across town. Others may

operate in several States, buying cars from dealers directly or through the auctions in one State and then selling them in another State. Reconditioners, or "detail men", who may have a lot for retail sales as well as a wholesale operation, are very active in some parts of the country, and are believed by DOT and the Department of Justice to be another source of odometer fraud.

A large branch of the wholesale trade involves the disposition of cars from fleets, principally those of lease and rental companies. These vehicles are commonly late models with higher than average mileage. We suspect, based on the observation of formerly leased vehicles by Federal and State investigators, that many of these cars are being spun at some point before they are sold to customers.

Although the full scope of the odometer fraud problem is difficult to determine, we estimate the annual cost to consumers as at least several hundred million dollars. The State of Washington has placed the figure at one billion dollars. Unfair profits of from 200 to 400 dollars can be made for every 10,000 miles an odometer is rolled back. Next to counterfeiting, odometer spinning is about the fastest way known of making money.

Recognizing the significance of the loss caused by this type of deceit, Congress enacted Title IV of the Motor Vehicle Information and Cost Savings Act in 1972, making it

generally illegal for any person to disconnect or reset the odometer of any motor vehicle. Title IV, further, prohibits the advertisement, sale, or use of odometer altering devices and requires disclosure of mileage information to vehicle purchasers.

The Act supplies a variety of remedies for odometer fraud.

Private citizens can enforce their rights through private treble damage actions which, when successful, carry a minimum \$1,500 recovery. State attorneys general may also enforce these private rights of action, as well as seek injunctive relief against violators. Finally, the Federal government, backed by investigative authority, can enforce civil penalties of up to \$100,000, criminal fines and sentences, and injunctive sanctions.

While the mere existence of Title IV undoubtedly has a significant deterrent effect on those dealing with used automobiles, we have implemented the Congressional mandate with a two pronged attack on odometer fraud, which recognizes the safety as well as monetary consequences of resetting odometers. First, the agency has taken steps, through the recent issuance of Standard 127, to limit odometer manipulation by making the odometer itself tamper-resistant. Second, the Department of Justice and DOT have initiated a broadly based effort to apprehend violators of Title IV, through a combination of Federal regulations and Federal, state and

private enforcement.

## I

The agency believes that purchasers of used vehicles should know the actual mileage of the vehicle they are buying, in order to best ascertain the safety condition of their vehicle. Odometers should be accurate so that owners can maintain preventive maintenance schedules and assure that their vehicles remain in safe working condition. Given the current extent of rollback activity, purchasers cannot now rely on odometer readings as a measure of the safety condition of vehicles. Unfortunately, however, many consumers have no other practical means of estimating a vehicle's mechanical condition. Concern over this problem has led the agency to issue odometer performance requirements, contained in Standard 127, which applies to all motor vehicles with a gross vehicle weight rating of 16,000 pounds or less. Issued in March of this year, under the authority of the National Traffic and Motor Vehicle Safety Act, this standard not only requires that odometers record mileage accurately, but seeks to reduce the incidence of odometer fraud by making odometers very difficult to reset.

Some petitions for reconsideration of the standard misconstrued the regulation to require only that an odometer, as manufactured, be incapable of turning in the reverse direction, absent any abuse which interferes with the functioning of the mechanism such as the insertion of a pick between the

wheels or the removal of a pin. As I understand this line of reasoning, the only method of odometer tampering prevented under such a misinterpretation of the standard would be turning back the odometer by insertion of a power drill in the speedometer cable opening. This type of rollback activity has never been a realistic possibility in any case since, for example, a 30,000 mile rollback with a 1,000 RPM electric drill would require 500 hours to complete. Issuance of so toothless a standard would constitute a fraud upon the consumer.

It is the policy of the Department that the easy alteration of odometer readings must be brought to a halt. One of the simplest and most common means of odometer tampering is rolling back the odometer to a lower mileage total by prying apart the individual drums or wheels and rotating them, especially the 10,000 mile drum, to a lower reading. To prevent this, our recently issued response to the petitions for reconsideration clarifies Standard 127 to require that an odometer have a distance indicator that is moveable in the forward direction only and that, if an attempt is made to reverse it, the odometer is rendered permanently and totally inoperable. An alternative means of compliance provides that the odometer shall heavily score, indelibly ink, or otherwise permanently mark each numeral on the ten-thousand-mile wheel as the numeral rotates forward and disappears from view. Knowing removal of the marking

mechanism for the purpose of altering the vehicle's indicated mileage would constitute a criminal violation of Title IV of the Cost Savings Act. While this provision will necessitate upgrading of present odometer designs, we have determined that the costs of the necessary changes are reasonable. The only previous study suggesting the contrary is woefully outdated and no longer relevant.

The standard further requires that an odometer record, by use of a sixth digit, inking of the indicator numbers, or some other permanent means, that a vehicle has traveled one hundred thousand miles. This provision is intended to protect the consumer from being misled into believing that a vehicle's mileage is represented by the five digit figure indicated on the odometer, when in reality that number may only represent usage in excess of one hundred thousand miles. We also plan to develop a requirement for odometers sold in the aftermarket that their display be of a distinctive color that distinguishes them from original equipment. Since the odometer requirements are not effective until model year 1980, sufficient leadtime exists for the automakers to meet the requirements of the standard.

We agree with the statement attributed to the Chairman that it may not be possible to develop a totally "tamper-proof" odometer. However, we believe that a tamper-resistant odometer would be of substantial benefit to consumers. If persons attempting to misrepresent the mileage of their

vehicles are forced to purchase and install replacement equipment, their illicit activities should be substantially reduced. In addition, the partial destruction or replacement of the odometer would serve as a trail of evidence to make Title IV enforcement more certain.

Police departments and other law enforcement agencies have expressed approval of the new regulation as a means of curbing odometer abuse. The rule also has the endorsement of the National Automobile Dealers Association. The industry's selected means of compliance with the standard will be monitored to determine whether future modification of the standard will be necessary.

## II

Fundamental to the second phase of NHTSA's offensive against odometer tampering, the enforcement of Title IV, is NHTSA's odometer disclosure regulation, Part 580, which requires each transferor of a motor vehicle to furnish the transferee a statement as to the vehicle's mileage. This regulation was amended on March 7 of this year to require motor vehicle distributors and dealers to retain for four years a copy of all odometer disclosure statements they receive or issue. These requirements provide the basis for enforcement actions by preventing the loss or destruction of necessary mileage information.

NHTSA is now establishing, under the initial funding for

this program in fiscal year 1978, an investigative staff to aid in the enforcement of Title IV. The agency is closely monitoring the early stages of this project to see how the Federal government's enforcement role can be effectively expanded in the future. In addition to our involvement with the Federal enforcement program, we have undertaken an important coordination function for State enforcement of Title IV. We are committed to the goal of bringing to bear sufficient manpower at the state and federal levels to effectively enforce the Act.

State prosecutions have proven to be an effective means of combating odometer fraud, as evidenced by the recent convictions in California of several members of a large used car distribution operation. We are aiding the State enforcement effort by notifying State attorneys general of suspected odometer abuses in their jurisdictions. We have also taken steps to encourage State cooperative efforts, such as now exist in the Western states, which allow the sharing of information on used car operations not confined to a single state. Further, we have encouraged states to incorporate a short-form odometer disclosure statement in their title certificate forms, through our joint sponsorship with the American Association of Motor Vehicle Administrators of a task force to design such a shortened statement. We are also studying the prospects for a model investigatory project

at the state level.

The Department of Justice has for some time played an important role in the Federal enforcement effort through participation in a coordinated Federal investigation of approximately 50 automobile dealerships and wholesalers using both the FBI and Federal grand juries. In Minnesota, five defendants pled guilty and have been sentenced to prison for short periods. In New Jersey substantial fines and civil restitution have been imposed on at least seven defendants. In Kentucky two defendants pled guilty, paid substantial fines, and served time in prison. Most recently five wholesale dealers were indicted in New York on charges that they had altered the odometers on thousands of used cars sold in New York, New Jersey, and Connecticut. These indictments have lead to guilty pleas by a company, its president and an employee and the conviction after trial of other defendants. The Department of Justice has also instituted several civil suits seeking injunctive relief. The FBI is currently focusing its investigations on those cases where interstate transportation of vehicles or organized crime is involved.

We have learned of a significant number of actions instituted by consumers under Title IV. The agency views consumer participation in enforcement of the odometer laws as very important. In order to encourage consumers to take

advantage of their rights under the law, we have been involved in several efforts to educate consumers about the provisions of Title IV. The agency is now disseminating a pamphlet explaining actions consumers can take to protect themselves from odometer fraud. A significant amount of newspaper and magazine publicity has been generated concerning available remedies. Finally, the agency has worked, for example, in conjunction with a Federal District Court in Paducah, Kentucky, to educate the public about odometer fraud through driver education programs, vehicle registration offices and the local newspapers. This program may serve as a model for future action in other parts of the country.

This completes my statement. I would be pleased to answer any questions you might have.



**U.S. DEPARTMENT OF TRANSPORTATION  
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

WASHINGTON, D.C. 20590

REMARKS BY JOAN CLAYBROOK, ADMINISTRATOR

Before the  
—  
ANNUAL CONFERENCE OF  
GOVERNORS' HIGHWAY SAFETY REPRESENTATIVES

Lake Tahoe, Nevada

October 23, 1978

So much is happening these days in highway safety, one hardly knows where to begin. The Congress has just passed some very challenging legislation. We are under the gun to assure immediate financial support for 55 MPH compliance efforts. And there are continuing exigencies in our alcohol and occupant protection programs.

But rather than talk today about the policy implications of the new legislation which are by no means firmly established, I would like to share with you my assessment of some basic contributions we can make to the State and community highway safety programs.

It goes without saying that I want to do all I can to help make your programs as effective as possible. This includes consulting fully on issues where our actions can affect your performance. And I hope you will continue to suggest more opportunities for direct communications between us.

One special focus of great personal concern to me is the virtual exclusion of citizens from Government decisionmaking activities which vitally affect their well-being. Highway safety programs particularly are designed to serve public needs, and the likelihood of their success -- whether in terms of political acceptance at the State legislative level or acceptance among the public at large -- is vitally dependent on active citizen involvement.

Anyone who reads the papers these days knows that the patience of the American people with their Government has worn thin.

As we enjoy the reflections of Lake Tahoe, 16 States are preparing to vote next month on measures to slam the lid on Government spending. A host of issues, ranging from garbage collection to insurance premiums, have found their way to the ballot. Recent votes on proposals to recall unpopular leaders from office have been very close.

There's no question that people are dissatisfied, no question that they are mad as hell. Just hold a town meeting -- as we have been doing this year. Tomorrow's meeting in Cleveland will be our seventh. All you have to do is sit there and listen to citizens pouring out their pain and frustration and you will will experience the depth of anger seething at the grass roots. Fellow bureaucrats, there's a citizen revolt going on in this country, and if we don't try to understand it, and work with it, we could be swallowed by it.

Stuart Langston of Tufts University's Center for Citizenship and Public Affairs says: "We are witnessing growing citizen alienation, distrust, and withdrawal ..." "There is also an explosion in citizen organizations and public interest groups and a multitude of efforts to make Government more accessible,

accountable, and responsive. It seems that America is both 'turned off' and 'turned on' to democratic governance at the same time."

Our highway safety programs are not immune to this ambivalence. It's downright alarming that within two years of the removal of the Federal requirement for motorcycle helmet laws, 26 States repealed their helmet statutes! In the past year or so, four States have repealed their motor vehicle inspection laws. Only one State legislature has been able to enact a child restraint law, and few are willing to consider enacting any mandatory belt usage laws.

What's happening in America, and what are the implications for highway safety?

I believe -- and there are some polls to support this -- that the citizen revolt doesn't really have a lot to do with how much money we are spending for these kinds of programs. The issue is whether the Government works for the people. Citizens are fed up with waste, lack of responsiveness and arbitrary decisionmaking at any level of Government. They are tired of mandates. That may sound strange coming from a regulator. But what people are tired of are mandates that they don't understand or that they have not participated in formulating.

There is a new sophistication in American political life. In the last ten years -- through the era of the campus eruptions, the Viet Nam war years, right up to the present -- people have

learned how to make a fuss. And that's not all bad!

As a nation we seem to be relearning some old truths. Cicero said: "Freedom is participating in power." A woman at one of our town meetings said, "We don't want to cut off the money, we just want to make you pay attention to us." It seems to me that people in this country are begging for some attention. And I think it's terrific.

If I have a choice between dealing with people who are mad or dealing with people who are apathetic, I'll take the mad people any day. And so will any doctor treating a patient. Because as long as people are energized you can help guide that energy. If they're not energized at all, then you have to start at zero.

So that's our situation. We must find ways to make sure our traffic safety programs are based on the real concerns of people. This is another way to ensure accountability. And if we succeed in involving citizens, they in turn can help overcome the inertia which now inhibits so many of our Governmental efforts.

Besides inertia, there is the problem of self-interest among people on the highway.

A policeman at one of our citizen meetings described the age old problem: "Reducing hazardous behavior is a matter of discipline and respect for others. People who violate the law are really saying they don't care about other people on the road."

The issue is similar to those who fight motorcycle helmet laws. Or consumers who don't want to buy an emission control system to protect their neighbor's lungs.

But people who have suffered harm on the highway look at the problem another way -- from the view of the public interest.

My cousin's 15-year-old son was killed in a car driven by a 16-year-old who couldn't drive well. She called me just before I took this job, and said, "I want to get the license law changed to 18 because I think kids are too immature at 16." We've had people come to our town meetings whose family or friends have been victims of highway crashes. They have ideas for remedies. They want to be part of the solution. But there is no special place for them to go to use their energy. And appeals to most Government agencies from individual citizens usually fall on deaf, bureaucratic ears.

What we're talking about is self-interest versus public interest. It is a factor in virtually every safety measure we undertake. The trouble is the public interest is always underrepresented, because the broader public interest does not

have the intensity and immediacy of self-interest. That is unless people who feel the pain are given a perspective, hope, and an opportunity to express their interest in making things better.

This is extremely important for us in Government who must serve the people. Unless we are able to assure the participation of people concerned with the public interest, then our options and opportunities for saving lives will be dominated by those operating out of self-interest.

How can we deal more effectively with the current realities of American politics and find new ways to channel the energy of public-spirited people to increase the safety of our highways? I'd like to offer six possibilities which warrant your consideration:

First, we can fire up some urgency of our own. We spend so much time pushing paper we forget that it's real lives being lost out there on that highway. If we don't get excited, how can we expect others to take part?

How many people in your State were injured last year? How many died yesterday in traffic? One-hundred and thirty are killed nationwide each day or between two and three each day per State. Our public affairs people are now collecting news clippings from the obituary page as are our Regional offices. We want our people to know who is getting killed. They are not just statistics. They are your neighbors and mine. As we were negotiating with Firestone Tire & Rubber Company, I kept remembering the 8-year-old girl who came to our public meeting

after having lost her mother -- and one of her legs -- in a crash after their tire blew out.

Second, we can identify others who care, people who have no personal profit interests, but who really care. Why not start with people whose personal lives have been touched by a crash? The survivors of the folks you read about in the newspaper.

In our Portland Citizen Meeting, the Governor's Representative, Gil Bellamy, and several others mentioned this concept of getting survivors involved. We saw the intensity of interest among people who have been involved in crashes with the air bag equipped cars. They came to Washington last year to tell Congress about it. And they were more effective than anyone else.

You know, this idea of getting survivors involved in remedies doesn't only help combat the problem, it also helps them feel that their grief is not in vain.

I am reminded of Ken Nathanson, whose 11-year-old daughter was killed by a drunk driver. He retired from his public relations work and has worked full-time since then to help the States improve driver licensing -- all by himself.

People in a community who have suffered the loss or serious injuries of a loved one in a crash could come together and set up some means to help others or to seek particular remedies.

They might look into complaints related to particular crashes, whether it be road hazards, a failure in drunk driver

control, or perhaps some problem in the emergency medical response.

After careful study, the survivor group might support measures to prevent similar problems in the future. We would like to test this concept through 403 contracts in cooperation with interested State agencies and have been talking with people in North Carolina and other States about this possibility.

The third step we can take is to communicate better with the professionals in this field who work each day with people who have been seriously harmed in auto crashes -- the physical therapists, vocational rehabilitation people, the orthopedic surgeons, the paraplegic, epileptic and other disability organizations. And, of course, there are all the PTA's and other groups concerned with children. We have a huge constituency. We need to inform these groups of critical issues in highway safety in time for them to help forge the solutions and to sell them to their neighbors. We don't need another organization. We need an effective communications network geared to specific remedies we know will work and make a difference, such as the child restraint coalition we saw at work in Tennessee consisting of doctors, PTA members, police officials, children's organizations and so on.

Fourth, we can expand the involvement of citizens in our problem identification and planning processes. Many of you already have citizen advisory committees and contract with non-profit organizations. However, most of these efforts are designed

to win public support for programs already designed. And very little of this activity occurs at the local level. If we really want people to develop a commitment to highway safety issues, we must get closer to the grass roots and make it possible for them to develop their own agendas.

In Portland, we visited with the city government office that actually contracts with neighborhood associations. The city tells them to go hire their own organizer and analyze the issues they are concerned about. The city government believes it's worth some precious dollars to establish independent opportunities for citizens to determine their own needs, agendas for action, and critiques of the city budget.

You know, dollars invested with voluntary organizations can have a greater return than the dollars we invest with large companies because there is no profit, little overhead, and a whole lot of free labor from volunteers.

Also, in Portland a group of mothers with a grant of \$600 conducted a survey of child restraint devices on the local market, published their findings on where to buy them, how much to pay, etc., and made this information available to thousands of parents in their area. All for \$600.

So I think you should consider expanding your contracting activities with nonprofit organizations at the grass roots. I know some Governors have decided the 60-40 split for our 402 grant funds should be reversed and have directed that 60 percent of the

money go to the local level. The nonprofit groups can be a beneficiary of this policy.

Fifth, we can become earnest students of the theories and techniques of citizen participation.

Janice Perlman of the University of California has studied citizen participation in a variety of fields and lists some characteristics of successful grass roots groups, among them: neighborhood organizing, advanced issue-research capacity, information dissemination, negotiation and confrontation skills, policy and planning skills, lobbying skills, experience in monitoring and evaluating government programs.

Those characteristics don't quite sound like your typical traffic safety citizens group. But such organizations are burgeoning under the official auspices of Governors and Mayors throughout the nation. We need to develop staff people who talk the language of modern citizen participation technology by either recruiting new professionals or training existing staff. Citizens also need training and orientation in order to participate effectively. We are now developing an opportunity for key leaders of the National Association of Women Highway Safety Leaders to help us identify the kinds of training citizens want.

Sixth, we can form more public panels, like the ones in California and Oregon. In these States the Departments of Motor Vehicles recruit private citizens to give feedback and suggestions

on policies and procedures. We are extremely interested in these efforts and would be willing to assist States in their evaluation.

These are just some of the things we can do to explore the needs and opportunities which the current political climate has placed before us. I know you can think of more.

The point is we must use our creativity and some of our resources to significantly increase citizen participation -- it won't happen by itself because the breach between the public and the bureaucracy is too ingrained in our way of doing business.

Of course, if you're going to get involved with the folks, you've got to have a thick skin and be prepared for just about anything.

These town meetings have turned up some mighty interesting people. Like the fellow in Hartford, watching a dozen people trying to speak at once, who finally got control of the mike. He said: "I look at these Federal Government officials that come here and I look at this crowd and I see its another typical Federal Government symposium."

But it's not always the Feds who get the treatment. One fellow was upset with Ford Motor Company. He said: "I've complained to Ford many, many times ... They sent out the company representative to check my car and he told me that I did not know how to drive. That I should shut off all accessories when trying to make a hill. I should not use the defroster or air conditioner.

That each car has its own personality and the driver must adjust to the personality. Well, my LTD has such a personality that it has morning sickness (and it has never ever had a Pinto)..."

You know, Proposition 13 may be a blessing to us. Who can argue against accountability? Who can quibble about any movement that strengthens the self-reliance of citizens? It's bound to bring the bureaucrats closer to people and their real needs. And that imparts a greater sense of reality and significance to our work every day. It sets you free.

I think the citizens revolt is terrific because it is making people active. But we, ourselves, need to participate in the process. It may sound radical at first, but really, it's going back to basics. It's democracy, after all, helping the people's will play a role.

Let's work on it together, let's help the people set us free.

Thank you.

STATEMENT OF JOAN B. CLAYBROOK, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, SEPTEMBER 7, 1978.

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss S. 3431, a bill that would govern the application of State limits on the length of tractor-trailer combinations used on the Interstate system. With me today are John S. Hassell, Jr., the Deputy Administrator of the Federal Highway Administration, Howard L. Anderson, the Associate Administrator for Safety of the Federal Highway Administration, and George L. Parker, Chief of the Crash Avoidance Division of the National Highway Traffic Safety Administration.

This bill reflects an increased Federal concern about present State truck length laws which have resulted in the design of truck cabs that do not adequately provide for the safety and comfort of commercial truck drivers. The bill is designed to place a Federal priority on the welfare of the professional truck driver while leaving to the States their existing authority to set truck length limits. Accordingly, the bill accomodates two basic presumptions, that: (1) the States should continue to set truck length limits; and (2) the fairest and most expeditious way of assuring the proper protection of the health and safety of truck drivers is to remove by legislation the economic

incentive for using truck cab space for carrying cargo.

Specifically, the bill would require that if a State sets limits on truck lengths used on the Interstate system after June 1, 1980, it must set them on the trailer alone, or, if a State desires to set overall tractor-trailer length limits as well, the overall limit would have to exceed the trailer length by at least 15 feet. The sanction provided for not meeting the bill's requirements is the loss of a State's Federal funds for Interstate highway construction. It is important to note that States also would be prohibited from setting any new trailer limits that would make unlawful any trailer lawfully in use in the State before the date of the bill's enactment.

Truck length is not regulated by Federal law, and the States have typically set limits on the overall length of tractor-trailers. Since there is an economic benefit for the trucker to have as much of the vehicle devoted to carrying cargo as possible, truck combinations are generally designed to maximize the capacity of their cargo-carrying units while staying within overall State length limits. Any increase in cargo-carrying capacity under present law must therefore come at the expense of the size of the truck cabs and occupant compartments.

The typical overall tractor-trailer length limits set by the States range from 55 to 65 feet. A number of carriers are presently using trailers in excess of 45 feet in

length. The trailers that exceed 45 feet are predominately 48 feet, although one company has 57 1/2 foot trailers operating intrastate in Texas. The shortest cab dimension for a tractor designed to be used in combinations that conform to State overall length laws is 4 feet 2 inches, measured from the front of the bumper to the back of the cab.

The welfare of the drivers of commercial vehicles has often been ignored and even abused in some of the occupant compartment designs that serve as their workplace. Some examples are: the limited space between the driver and the dashboard causing a driver's knees to rest on the dashboard and the steering wheel to rest against the driver's stomach; and the well-known problem of the "doghouse" -- the fiberglass cover on the part of the engine that protrudes into the cab. The doghouse is a source of intense heat and it requires an awkward and uncomfortable placement of foot controls. If the cover is loose, it permits engine fumes to enter the cab. The value of this amendment would be to reduce the economic incentive that has produced these adverse effects on driver safety and health.

The Department of Transportation has conducted some preliminary research and investigation into the safety implications of the reductions in the size of truck cabs and occupant compartments. Some of the results of these efforts are contained in a May 1976 "Interagency Study of

Post-1980 Goals for Commercial Motor Vehicles" which suggested that regulating the length of trailers rather than combinations could help to assure adequate space for the driver, could improve ride quality, and could enhance the range of possible aerodynamic refinements in truck-tractor designs and thus improve fuel economy.

In their comments on the "Goals Study," many users of longer trailers suggested that, if improved occupant space and ride quality are needed, one way to assure these improvements would be to address these issues through Federal regulations, rather than have the States set specific limits only on the length of the cargo-carrying portions of trucks.

In consideration of these comments, the Federal Highway Administration, through its Bureau of Motor Carrier Safety, issued on February 14th of this year an Advance Notice of Proposed Rulemaking to solicit comments on proposed additions to the Federal Motor Carrier Safety Regulations. The comment period on the ANPRM closed on June 14th and the comments are being analyzed. In general the professional drivers support the rulemaking action and the trucking associations oppose it. Preparatory to coordinated rulemaking in this area, the National Highway Traffic Safety Administration is presently engaged in joint research with the Federal Highway Administration.

Through this rulemaking process, the Department of Transportation is considering the adoption of safety regulations to specify minimum size and performance requirements for the cab portion of regulated commercial vehicles manufactured after a certain date and operated in interstate or foreign commerce. We would like to emphasize that the Department sees no contradiction between our rulemaking activity and S. 3421 as proposed. Indeed, we view the bill and our rulemaking activity in this area as complementary.

The bill sets a Federal priority on the welfare of truck drivers for humane reasons and to avoid the devastation wrought on the highway when a large truck is involved in a crash. It does not attempt to set detailed cab performance requirements or to address the economic impact of this priority but rather leaves to the States the authority to lessen the potential economic impact through revision or elimination of overall truck length requirements.

The Department's rulemaking, on the other hand, would address the specific performance characteristics that must be met in the design and manufacture of truck cabs to assure that they allow sufficient space and other protections for the drivers. But the Department does not have the authority to amend existing State requirements to lessen

the potential economic impact of improving truck cabs that inevitably will take away cargo-carrying space from some trucks.

Accordingly, the bill provides the framework for designing a solution to the problems facing truck drivers and allows the States to accommodate any economic impacts on the trucking industry. Thus, the bill is designed to protect the interests of the trucking industry as well as the drivers.

At this point, we would like to mention briefly some areas of potential benefit that could be expected to result from tractor length increases:

1. Improved braking, handling and stability

These benefits should occur since longer wheelbase tractors experience less weight transfer to the steering axle in braking maneuvers. Also, smaller steering forces would be required for a given turning maneuver by the driver of a longer wheelbase tractor.

2. Improved driver comfort and safety

An increase in the length of the driver compartment -- in either cab-over-engine (COE) or the conventional cab-behind-engine (CBE) vehicles -- would permit greater priority

to be given to driver comfort and optimum placement of controls and instruments, both of which are important to the safe operation of the vehicle. Also, occupant crash protection could be improved.

3. Improved ride quality

Short wheel-bases and high fifth-wheel-offsets (i.e. the distance the hinge point of the trailer is forward of the tractor drive axle) often affect ride quality adversely, which tends to induce driver fatigue and occupational health problems associated with high levels of vibration. A longer wheelbase would give the designer greater latitude in selecting the specifications of a vehicle for a particular operation, and thereby offer the possibility of improving ride quality.

4. Improved ingress to and egress from the cab

Present overall length constraints, which affect the cab of the vehicle, frequently result in cab entrance and egress designs which are more awkward and less safe than if more space were available. On cab-behind-engine tractors, today's overall length limits can result in up to 4 feet of steps and footholes located to the rear of the door rather than

directly in line with it. Greater freedom to revise the exterior shape of tractors could reduce the height of steps and the hazard of climbing them. Such considerations are important since slips and falls while entering or leaving the cab are a major source of injury to truck drivers.

5. A wider berth in cabs that have sleeping compartments

Minimum sleeping accommodations as presently specified for commercial motor vehicles are claimed to be too narrow to permit adequate rest. With more comfortable sleeping conditions, a person could be expected to obtain more rest and be in better condition to operate the vehicle safely.

6. Improved aerodynamics, reducing wind resistance with improvements in fuel economy

Given more opportunity to revise the shape of exterior cab surfaces, aerodynamic design could be introduced by manufacturers to reduce wind resistance, and thus provide improved fuel economy without encroaching upon the already limited space available to the driver in the cab. This applies to both conventional cab-behind-engine and cab-over-engine configurations.

7. Improved fuel tank location

On some of the short wheelbase cab-over-engine tractors, clearance between the fuel tanks and the tractor tires leaves little margin against damage to the tank envelope by the front wheels in case of an accident. While there is yet no direct accident correlation with fuel tank location, the incidence of fire in truck accidents has increased in recent years. The possibility of a longer wheelbase offers the potential for better location of the fuel tank.

On the other hand, we should also address whether safety problems might occur as a result of requiring the States to establish length limits specifically for the cargo-carrying units of trucks. First, it is important to emphasize that we do not know precisely what overall length limits might result since they would be determined by the individual States. However, there is no apparent practical reason after enactment of this bill for tractors to exceed present cab-behind-engine tractor lengths, provided that any temptation to increase tractor length to permit mounting of cargo-carrying dromedaries is eliminated through proper drafting of the State's truck length amendments.

Whatever length is added to tractors that might occur

would, to the extent of that addition, increase the time required by another vehicle to pass it. For those attempting to pass a truck, the added exposure time to pass would increase by less than 1 second if the truck were 7 feet longer and the speed differential between the vehicles were only 5 mph.

The safety effect of passing longer vehicles, however, will depend more on what highway is involved. On the Interstate system or other limited access highways, these concerns should make only a small difference because of multiple lanes. Longer vehicles do pose a greater problem in passing on two-lane roads. To date, however, our accident data show that the safety records of slightly longer combination vehicles operating west of the Mississippi are generally comparable to the 55-foot long vehicles operating in the East.

For all of these reasons, the Department supports the bill. It provides significant opportunities for increased safety and driver comfort by setting a sufficient truck cab size that must be considered by the States in setting truck length limits. While it could result in additional costs in some cases, the consideration of its economic implications is left to the individual States. The 15 foot

allowance for the tractor provided by the bill could reduce trailer lengths in States that choose to keep their present overall length limits, but there is no evidence that the States would not permit an increase in overall length or even drop their present overall length limits.

The States are unlikely to accept economic dislocations where they can be avoided, especially in light of their current energy conservation concerns. We believe that careful consideration by the State legislatures of length limits and the bill's grandfather clause for existing trucks will minimize possible adverse economic effects.

While the Secretary and I have always opposed further increases in the lengths and weights of large trucks, the small additional allowance which this bill will foster is not so significant as to overshadow the great value of improved driver safety. Accordingly, we regard the bill as a reasonable way in which to reduce the motivation for growth in truck cargo-carrying capacity at the expense of the professional driver behind the wheel.

This concludes my prepared statement. My associates and I would be pleased to answer any questions you might have.