STATEMENT OF JOAN CLAYBROOK, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, BEFORE THE SUBCOMMITTEE ON CONSUMER, SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, CONCERNING AUTHORIZATIONS FOR AND IMPLEMENTATION OF THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT, AND THE MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT, MARCH 28, 1979.

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before your Subcommittee today to discuss authorizations for the National Highway Traffic Safety Administration, and to review the agency's responsibilities and activities. With me today are Mr. Howard Dugoff, Deputy Administrator, Mr. Michael Finkelstein, Associate Administrator for Rulemaking, and Mr. Barry Felrice, Acting Associate Administrator for Plans and Programs.

The NHTSA was originally created by the Congress to address a social and public health problem of major proportions: the wholesale loss of life and limb on the nation's highways. In the thirteen years of the agency's existence, both the number and rate of highway fatalities and serious injuries has been significantly reduced. However, motor vehicle accidents remain the leading cause of death among young people, the leading cause of paraplegia and epilepsy, and the sixth leading cause of death for all citizens. The number of Americans killed and injured each year in highway crashes dwarfs casualties in all other transportation modes combined. The cost to the public of highway accidents and casualties is more than 40 billion dollars per year.

But now, for the first time since the inception of the major Federal role in motor vehicle and traffic safety, motor

vehicle fatality rates are again increasing. The rate of fatalities has risen from a low of 3.24 deaths per hundred million vehicle miles in 1976 to 3.27 last year. As a consequence of this and increased travel, the total number of fatalities in 1978 was 50,000.

The principal causes of the recent increase in highway fatalities are:

- o the increased use of motorcycles, especially by riders without helmets,
- o the sharp increase in the use of light trucks and vans that do not incorporate many well-known safety features,
- o increased involvement of heavy trucks in fatal accidents, many victims of which are passenger-car occupants, and
- o increases in highway speeds.

Our current program places particular emphasis on remedies for each of these immediate priority problems, as well as in several other areas that were cited in our first draft 5-Year Plan for Motor Vehicle Rulemaking: side impact protection for automobile occupants, pedestrian protection, and braking performance for all types of vehicles.

As an example of how we are addressing one priority area, our studies indicate that motorists' failure to see cyclists, shortcomings in motorcycle driver skills, and a decline in the

use of helmets contribute principally to the motorcycle safety hazard. To cope with the problem, we are intensifying our research to develop practical schemes to enhance the noticeability of the motorcycle and the rider. A demonstration project under our highway safety program will explore the crash reduction potential of motorcycle rider education. Riders will be trained and their accident records will be tracked and compared to a control group of untrained riders for a period of two years. Efforts will also continue to inform riders, state officials, insurance and medical groups about benefits of helmet usage.

Our primary means of reducing fatalities and injuries in motor vehicles has been the promulgation of motor vehicle safety standards. According to a General Accounting Office study, the payoff from motor vehicle safety standards to 1974 was a saving of at least 28,000 lives. Projecting that figure through 1978, we would estimate that about 55,000 lives have been saved. The motor vehicle standards have also protected many more people from serious injury.

In the Highway Safety Act area, and because of its demonstrated potential for safety and energy conservation, the 55 mile-per-hour national speed limit program ranks among the highest of all State and local endeavors for which assistance is provided through 402 grants. Ironically, opinion polls indicate that public support of the national speed limit remains high, even though non-compliance with 55 is growing. The Congress recognized the importance of the program in enacting the Highway

Safety Act of 1978, which reduces Federal-aid highway apportionments of States that do not meet minimum compliance standards. NHTSA will continue to provide technical assistance to the States and serve as a focal point for the exchange of ideas, experience, and information regarding the 55 mph program.

In both of these priority areas, and in the rest of our program to improve traffic safety, we go through orderly analyses and processes to determine what our priorities should be, and to design and evaluate our activities. This can be looked at in five steps:

1. Identify the need for action. We collect and analyze accident data to determine how and in what numbers people are being injured and killed in automobile accidents. This information identifies the major areas where the agency should focus its actions.
2. Determine what can be done. Our vehicle research activities identify and develop technological approaches to accident avoidance and crash injury reduction. Our driver and pedestrian research is similarly designed to find remedies for the human factors relating to accident causation.
3. Plan priorities in an orderly way. We have just finished reviewing and revising our five-year plan for motor vehicle rulemaking, and it will shortly be published in the Federal Register. This plan sets

out priorities and a schedule of rulemaking actions for the next half decade. We are also in the midst of completing a five-year plan for highway safety research that will be published in draft next month.

4. Involve the public in program implementation. Vehicle safety and fuel economy rulemaking is promulgated under the Administrative Procedure Act. This ensures that all interested parties have an opportunity to critique the standards and programs and to communicate their views to us before the policies become final. Prior to proposing a rule, and before it is finally issued, we undertake a number of regulatory analyses to explore and document health, environmental economic, and other effects. As another aspect of orderly implementation, once a policy is set in place, we follow the actions of the affected parties (such as the automobile industry or the States) to ensure that the intent and timing of the policy are met.

5. Evaluate the effects of the policy. When a policy has been in effect long enough for its effects to be measured, we often undertake an evaluation to see if the policy is achieving the anticipated result. In doing so, we use vehicle testing, accident data analysis, and other measurement techniques.

Using this framework, I would like to now describe how we pursue each of these steps.

Accident Data Systems

The foundation of our planning and evaluation work is the data gathering and analysis of our National Center for Statistics and Analysis. The Center is designed to provide statistically sound quantitative data on the extent, nature, and seriousness of highway accidents occurring in the U.S. This information is used to identify specific problems in highway safety that we should be addressing, to assess the potential effectiveness of contemplated remedies, and to evaluate the effects of policies that have been undertaken in the past.

Twelve million dollars would be authorized for this program in Fiscal 1980 under the Vehicle Safety Act. The Center's National Accident Sampling System (NASS) will provide us for the first time with a nationally-representative, statistically-valid measure of highway accidents over a range of crash severities. NASS accident investigation teams operating in various parts of the country will review police accident reports, selecting a statistically-valid cross-section of pedestrian, motorcycle, truck, and automobile accidents to investigate for key statistics on causation and resulting injury and damage. The pilot phase with the first 10 accident investigation teams is now finished, and we are planning to expand our data collection teams from 10 to 20 in Fiscal Year 1980.

The NASS will supplement the Fatal Accident Reporting System (FARS), which has been in place since 1975 and uses State-reported data on all fatal accidents. We are also pilot testing an augmentation of the Consumer Product Safety Commission's

National Electronic Injury Surveillance Systems (NEISS) which collect injury information from hospital emergency rooms. The National Center is one of our most basic programs because it supplies the necessary information for virtually every rule-making priority and performance level adopted.

Vehicle Research

Secretary Adams recently underlined the importance of basic motor vehicle research in a challenge to the automotive industry, academic, and Government research establishments. He has pointed out that we must take major steps in automobile innovation by the turn of the century, if we are to maintain the personal mobility of private automobiles for the foreseeable future without unacceptable burdens of safety hazards, pollution, and excessive fuel consumption. While the current dialogue is primarily motivated by the prospect of reduced petroleum supplies in the years ahead, it is imperative that we start the basic research process now to ensure that we maintain the safety and other values on today's cars as they are made more energy-efficient. The inevitable materials substitutions and decreases in weight should not occur without due regard to safety consequences.

To advance the state-of-the-art for production cars through the 1980's, the Department of Transportation is spending about $5 million annually on a research safety vehicle program. Begun in 1974, this research program has resulted in several vehicle designs which should be finished this Spring and demonstrated worldwide to encourage advanced technology

in mass-produced vehicles.

The purpose of the RSV Program is to demonstrate to the public and the industry the advanced safety features that can be designed into production cars by the mid-1980's, in fuel-efficient, low-emission, practical and economical automobiles. The prototype cars developed achieve their advanced performance using designs and materials that are readily available and capable of being mass produced. Some aspects of these vehicles have already been put into production cars by manufacturers, but their superior performance levels are not now being matched by the manufacturers. These experimental cars set a standard against which the public can assess industry performance and the Department can design future performance requirements.

The experimental car constructed by Calspan Corporation in cooperation with the Chrysler Corporation was derived from a production French Simca, and is designed so that it could be produced today in a conventional automobile assembly plant. The steel structure and occupant restraints are designed to provide occupant protection in frontal crashes at up to 45 mph, and in side impacts at up to 40 mph. The front bumper of the car is made of soft, energy-absorbing plastic materials that will sustain low speed impacts at up to 7 mph without damage. In addition, tests have shown that the front bumper can substantially reduce injuries to pedestrians who are struck at speeds of up to 20 mph.

The Minicars RSV is a car designed virtually from the ground up. And while it is a highly innovative vehicle, it can be manufactured almost totally from materials and components available to manufacturers today. It weighs only 2500 pounds, yet it has a very large interior, excellent visibility, gull wing doors for easy access to front and rear seats, and a Honda stratified charge engine that will produce an estimated 32 miles-per-gallon with low emissions.

The structural shell of this unique experimental car is composed of foam-filled steel sections. In a crash, the crushing of this foam-filled structure safely dissipates high levels of energy. With its advanced air bag restraints, this car can provide protection in about 50 mph frontal crashes into a solid barrier, with 45 mph side-crash protection.

This vehicle also has a soft, flexible bumper, hood, and front fenders to reduce the impact forces on a pedestrian hit by the car. The bumpers are not damaged in barrier crashes up to 10 mph. In frontal barrier crashes at up to 20 mph, damage occurs only to an easy-to-change front section, substantially reducing repair costs.

Minicars has also constructed and is testing for the Department a six-passenger Large Research Safety Vehicle (LRSV), using a full-size Chevrolet Impala as a base. However, this car has a unit body, front-wheel drive, and a turbocharged, four-cylinder engine with advanced emission controls developed

by Volvo. It has advanced air bags to protect occupants in frontal crashes at up to 40 mph; and a soft, plastic front bumper that reduces low speed crash damage and pedestrian injuries.

The LRSV weighs less than 3000 pounds and is designed to meet or exceed all Federal standards that will apply to 1985 model cars: 27.5 miles-per-gallon, very low emissions, and a high degree of passive crash protection. It was designed in response to auto company complaints that the fuel economy program had brought an end to the era of the family car. This vehicle shows that this just is not so.

Planning and Implementation

Our safety and fuel economy planning activities have produced our Five-Year Plan, a preliminary version of which was issued last year for public comment, revised and will be republished shortly. A comparable effort has been undertaken to organize our highway safety research to address areas with the greatest problems and the greatest likelihood of amelioration.

The Five-Year Rulemaking Plan will evolve on a continuing basis, to make best use of available resources in a constantly changing highway environment. Heavy involvement of the rulemaking and research and development staffs in determining the priorities has focused effort in support of the Plan and eliminated narrow scoped "pet projects" which can otherwise eat up resources with little return.

Three of the highest priority rulemaking programs identified in the revised Five Year Plan are directed toward stemming the growth in motorcycle, van, and truck accident fatalities that have contributed to the recent increases in the highway death rate. I summarized our rulemaking plans in the motorcycle area earlier. Our other priority rulemaking programs are designed to address fundamental problems that have been the cause of major carnage for many years. The programs include:

- Side impact protection in automobiles, to stop the loss of approximately 8,200 lives a year. This work is focusing on development of an instrumented dummy which better reproduces human movements in side impacts as an effective test device for a dynamic standard. Several auto companies are experimenting with innovative developments to meet an upgraded requirement.

- Pedestrian protection, an accident mode in which about 8,000 people lose their lives annually. 38,000 additional pedestrians receive moderate to critical injuries in such accidents. Nearly half of the pedestrian victims are children under ten years of age, and most of them are struck at speeds of 25 miles-per-hour or less. The majority of fatal pedestrian injuries are in the head, and come from contact with the vehicle front (for children), hood and windshield area (for adults) and from contact

with the ground or with other objects after being thrown by the vehicle. We believe that a significant fraction of the injuries that come from contact with the vehicle can be ameliorated by making the front of the vehicle less hostile. This is similar to covering the interior surfaces of a vehicle with energy-absorbing padding. Rulemaking to achieve that end is currently in progress as a high priority under our rulemaking plan.

- Extension of existing passenger car standards to light trucks and vans to protect occupants during a crash with collapsible steering assemblies and forgiving interiors. These standards are long overdue for vehicles whose sales continue to increase rapidly and which are being used more and more to transport families and children.

- Improved braking standards for all vehicles, and in particular, medium and heavy duty trucks. With the revocation by the Court of Appeals of significant portions of the heavy truck air brake standard in October 1978, we are now soliciting views on new high speed stopping distance requirements and we will shortly request comments on a longer range initiative concerning more advanced technology such as antilock systems (which were removed in the Court decision) and automatic brake adjusters.

There is a pressing need for additional research to define other safety-related shortcomings of medium- and heavy-duty vehicles: trucks and buses above the 10,000 pounds gross vehicle weight rating. This research will develop a basis for Federal rulemaking. The expanded effort will concentrate on all facets of the problem, and will involve the manufacturing and user industries in research prior to rulemaking activity.

We are also progressing with rulemaking on truck rear underride. In our joint advance notice of proposed rulemaking with the Bureau of Motor Carrier Safety (BMCS), we solicited views on upgrading and extending of BMCS's existing standard to the broader population of trucks for which it might be appropriate. NHTSA and BMCS contractors are testing feasible designs and should complete their work this Fall, permitting the issuance of a notice of proposed rulemaking even earlier than contemplated in our draft Five-Year Plan.

Our planning activities are only the means to an end -- the promulgation and upgrading of effective safety and fuel economy standards. We are making substantial progress with several of our existing major standards. The upgrading of Standard No. 208 providing for passive restraints is being

implemented on schedule. The Secretary's rule issued in June 1977 has been reviewed by the U.S. Court of Appeals for the District of Columbia Circuit and upheld in every respect. We have remained in close communication with the automobile manufacturers and suppliers, reviewing their development efforts in upgrading occupant restraints. Passive belt systems already in mass production have been providing great life-saving performance, and we expect to see some air-bag-equipped 1981-model full-size sedans even before the rule takes effect. We also contemplate rulemaking to require improved comfort and convenience of both active and passive safety belts.

In the fuel economy area, standards issued under Title V for passenger cars through 1985, and for light trucks and vans through 1981, will mean that consumers will enjoy up to a $500 net savings over the life of their cars, light trucks and vans. This saving is calculated at a conservative gasoline price of only $.65 a gallon. At $.80 a gallon, the savings would be $700. The benefits to the nation will be a savings of 220 billion gallons of gasoline from 1978 through 1990, or a savings of $60 billion dollars in imported fuel costs at present prices. The standards will further aid the consumer and the nation by relieving inflationary pressures on the dollar abroad due to the trade imbalances induced by petroleum imports, and by encouraging the export of American-made cars that are now going to be fuel efficient enough to compete in foreign markets.

The Department's Third Annual Report on Automotive Fuel Economy sent to Congress in January discussed the technology available to each automobile manufacturer to meet the standards now in place. The changes in vehicle technology described in the report will be sufficient to allow manufacturers to meet the standards without significantly changing their product mix from that traditionally offered. Our analysis, which assesses an efficient route each manufacturer might take to improve fuel economy, also found that the projected amount of capital needed to achieve these improvements is within the capability of the industry. Manufacturers, of course, have the option to pursue a number of paths to meet the requirements under the very flexible fleetwide average standards.

We did not evaluate the motor vehicle industry as a single entity in our analysis, but rather looked at what each company would have to do, judging the short- and long-term effects on each. In establishing the fuel economy standards, we adhered to the direction of the Congress that the standards achieve the maximum fuel economy which is technically feasible, economically practicable, and meets the need of the Nation to conserve fuel. We also followed the guidance in the Conference Report that "maximum feasible standards" are not necessarily set according to the capability of the least well-equipped manufacturer.

In December, Ford and General Motors told us they believe that passenger car standards for model years 1981 through 1984

should be revised to levels that, at maximum, would require a linear increase of 1-1/2 mile-per-gallon per year from the 1980 level through the 1985 level. They claim that these reduced standards would be more cost-effective than the existing standards.

We have received most of the documentation from Ford and General Motors supporting their positions and are presently examining it to see if this information indicates that the basis for the fuel economy standards has changed significantly from July 1977 when the manufacturers indicated they could comply with the standards. We plan to complete our preliminary assessment by mid or late April.

We have two actions pending on light trucks as well. Last year, the agency established standards for 1981 model light trucks at 18 miles-per-gallon for most two-wheel drive trucks and 15.5 miles-per-gallon for most four-wheel drive vehicles. Last fall, Chrysler petitioned for a reduction in these standards to 16.5 and 14.5, respectively. The comment period has closed

for our notice on this petition, and we expect to announce a decision shortly. That action has slightly delayed the promulgation of standards for 1982 through 1984 light trucks. We expect to be able to issue a notice for these standards in May, and to complete this rulemaking within 4 to 6 months thereafter.

Safety Rulemaking

I would next stress the procedural steps we take in carrying out our regulatory program to assure that it is effective and fully consistent with the President's policy that regulations be well analyzed, justified, and actually produce their intended benefits.

We closely scrutinize our regulatory activities in accordance with the President's Executive Order 12044 to catalogue benefits and thoroughly analyze costs. While the motivating force to issue safety standards is mitigation of unnecessary death and injury, we also want to analyze thoroughly the effects our regulations have on the automobile industry and their suppliers. Since 1974, we have performed economic analyses of all our proposals and placed them in public dockets for comment. In this vein, we have, and still do, exceed the requirements of Executive Order 12044 which requires these analyses of significant proposals. These

documents are very thorough, but of necessity a factor affecting our ability to conduct full analyses is the cooperation of the manufacturers and suppliers in supplying cost information.

Our recent Impact Assessment accompanying the final rule for the 1980 and 1981 truck fuel economy standards was praised by Barry Bosworth, Director of the Council on Wage and Price Stability, as one of the best he had ever seen. The document contained nearly 200 pages analyzing the rule's effect on industry costs, consumer price changes, truck sales, gasoline savings, changes in employment, estimated capital requirements, and the effect on Gross National Product. The assessment had a separate discussion of industry financial and marketing risks and discussed in depth alternatives to the rule which were considered by the Agency.

Other procedural techniques intended to assure that our regulations are effective and beneficial include our restrictions on ex parte contacts during rulemaking, our publication of background materials for public comment, our frequent meetings with affected individuals and groups, and our coordination with the Council of Economic Advisors, the Council on Wage and Price Stability, and other agencies to avoid

duplication and conflicting regulatory requirements.

We have an independent office within the agency to review our rulemaking, to ascertain that the alternatives have been fully explored, and to prepare the actual impact assessments which are now termed "regulatory analyses." This office is separate from the rulemaking office and reports directly to the Administrator on the efficacy of rulemaking alternatives.

Financial assistance to individuals and groups that are otherwise unable to participate in our administrative proceedings has also proven a real asset in development of regulations. We are obtaining a wide range of views on our rulemaking that were never as well-documented before. In our child restraint rulemaking, we funded the Action for Child Transportation Safety group and obtained extremely useful recommendations from the ultimate consumers of these devices. The Professional Driver's Council contributed comprehensive, constructive comments on the extension of standards generally to heavy trucks, particularly in crashworthiness. We hope to continue this beneficial program in more proceedings to further involve the public.

Evaluation

The fifth activity in efficient regulation that I would stress is evaluation of standards already on the books. We have a program underway to evaluate our existing standards, to determine whether they have achieved their goals and, if so, whether this was done in the most effective manner. The

results of these evaluations will provide a sound basis to determine which rules should be enhanced or removed. We are just beginning to get results from these efforts and expect to complete our first two comprehensive evaluations this year -- on the side-door-strength and fuel-system-integrity standards. We are currently evaluating 8 other safety standards and will start evaluations of passenger automobile fuel economy and tire quality grading standards this year. The 8 safety standards are: passenger-car hydraulic braking, lighting, motorcycle braking, head restraints, seat strength, school bus rollover protection, joint strength, and seating standards.

Consumer Initiatives

Americans not only expect and want their automobiles to be safe but also efficient, comparatively inexpensive to operate, and resistant to unnecessary damage. The automobile is the second largest investment most families make, and costs the average car owner nearly $2,000 a year to own and operate. The Motor Vehicle Information and Cost Savings Act has advanced the consumer's valid expectation for a car that is worth its price.

Phase I of the Title I bumper standard became effective last September and it incorporates the safety standard 215 requirements which first became effective with 1973 models. The standard prohibits any damage to the vehicle, other than the bumper itself, in 5 mile-per-hour barrier and pendulum impacts, front and rear. Phase II comes into effect next September and

will limit damage to the bumper face bar to small amounts most consumers would choose not to repair.

At the direction last summer of the Senate Appropriations Committee, we performed a preliminary evaluation of the appropriateness of our standard in relation to other damage or impact levels that might provide even greater savings to the consumer.

In late January, we sent a preliminary report to the Senate Appropriations Committee members indicating that, with any of the technologies chosen, the present performance requirements provide substantial net benefits to consumers over the lifetime of a vehicle. At the same time, it is not clear that the 5-mph standard results in greater net benefits to the consumer than a lower-speed standard.

Before we make specific changes in the standard, the statute dictates that we ascertain the safety implications, for pedestrians for example, and other consequences of any change. Also, it must be recognized that the effectiveness of a bumper performance standard is greatly dependent upon the design choices of manufacturers confronted by a growing range of options produced by rapid technology developments in the field. For these reasons, and because of the paucity of cost and performance data heretofore available to the agency, we recently published an Advanced Notice of Proposed Rulemaking in the Federal Register requesting comment by all interested parties on our analysis of the bumper standard, on Houdaille Industries'

study on the same issue, and on related studies in the field. We are also conducting crash testing to better quantify the damage that occurs at various speeds employing a variety of bumper designs and materials.

A major thrust of our automotive consumer programs has been to put the consumer in the position of knowing enough to take care of him or herself in the market place. Based on our Title III diagnostic inspection experience, we know that a key step will be to cut down on the tremendous expense and waste that attends automotive maintenance and repair. Our May 1978 study estimates $20 billion in unnecessary costs annually, due in part to bad design, in part to unneeded, inadequate, or faulty repairs by the industry, and in part to ignorance of proper maintenance by consumers.

Periodic motor vehicle diagnostic inspection meets the problem head-on, equipping the consumer with knowledge of the maintenance and repair that is truly needed. Diagnostic inspection is feasible, effective, and publicly acceptable. Not only is waste in repair and maintenance reduced, but our Title III demonstration inspection projects improved the safety condition, fuel efficiency, and emissions of vehicles inspected.

We concluded that the Federal Government can best assist consumers by providing them and their States and local governments with the tools to effectively represent and pursue their own

interests. Also, we see a Federal role in suggesting means for States and localities to find the capital to put diagnostic inspection stations in place and in recommending useful models for States to emulate.

Title IV also arms the consumer with the information and right-of-private-action to successfully defend against odometer tampering. Odometer fraud continues to be a multi-million dollar rip-off of the consumer. In a significant number of used-car sales, the seller overcharges the buyer by lying about the vehicle's mileage. Our two investigators have uncovered widespread violations of the odometer law along the East Coast. Guilty pleas and convictions have resulted from enforcement actions taken by States and the Department of Justice. Our small staff will be able to increase the effectiveness of Title IV and supplement the consumer's private-right-of-action by continuing to bring patterns of significant violations to the attention of consumer fraud and other sections of State and local enforcement agencies. We have also recently further revised the odometer standard to make tampering more difficult and to result in tell-tale signs that tampering has occurred.

Automotive ratings provisions of Title II have the potential to equip the car buyer with important comparative information by make and model. Last year, we established an Office of Automotive Ratings to generate consumer information standards for such factors as uniform tire quality grading, vehicle crashworthiness, damageability, and cost of repair. Very

shortly, we will begin to see tires marketed for the first time with treadwear, traction, and temperature resistance grades. We have appointed new personnel to the effort who are knowledgeable and working to obtain useful, achievable ratings, rather than the more esoteric research-oriented goals pursued in the past. While we recognize that meaningful ratings are difficult to generate, the present effort promises meaningful technical information for the first time, to assist consumers in the market place.

In addition to these accomplishments, we have improved our communications with consumers, not only with public participation activities in rulemaking, but also in other ways.

To provide a means for the public to report potential safety defects in their own cars or obtain information on cars they own or are contemplating buying, we have substantially upgraded, expanded, and publicized our toll-free safety defects hotline which gets 150,000 calls per year. The information we obtain through the hotline has been invaluable in getting early warning of potential problems and in completing our defect investigations.

To acquire a more general interaction between ourselves and the public, and to learn what people's concerns are, we have held town meetings in seven different sections of the country. At these meetings, people have had the opportunity to ask questions of us, to express their concerns, and to talk back to us when they disagree with our policies. They have also informed us of numerous specific problems. In Oregon, for example, a resident pointed out a safety defect that resulted

in a recall of 57,000 Volvos for fuel system problems.

Perhaps the oldest NHTSA program that touches car owners directly is the safety defect program. We devote nearly $2 million annually to automobile and equipment defect testing, field investigations, and surveys, and surveillance of manufacturers' recall campaigns. In the largest cases concluded this year, 7.5 million Firestone 500 tires still in service are being replaced at no cost, following thousands of accidents in which 41 people died and 125 were injured. One and a half million 1971 through 1976 Ford Pintos and 1975 and 1976 Mercury Bobcats are being recalled because of the vulnerability of their fuel tanks to rupture in rear collisions. Thirty-three fires, involving 31 fatalities and 25 injuries, were associated with the defect. One-hundred-thirty-three thousand AMC vehicles were recalled because the power steering hose was routed too close to the exhaust manifold and twenty-two fires resulted when the hose burned through.

An important aspect of both the new and the existing channels of communications we encourage is that we receive criticisms in a face-to-face context and react directly, with positive, constructive responses. For example, the difficulties of auto ownership we heard first-hand in town meetings and over the Hotline has lead to publication of a first effort "Consumer Resource Manual." The manual collects in one place the information

and assistance that is available for dealing with automotive problems. Problems in getting cars serviced convinced us to join with the Cleveland Auto Dealers Association to help initiate a cooperative dealer/consumer complaint handling system. Objections to the "closed" planning process within NHTSA led to the solicitation of public comment on our Five-Year Plan, the annual fuel economy report to Congress, and the establishment of priorities for the Sec. 403 Highway Safety demonstration program. And we now meet on a bi-monthly basis with the automotive industry and other interested persons to answer technical questions in a face-to-face public exchange in Ann Arbor, Michigan.

Constructive suggestions from outside the agency have led to defect and rulemaking action, in areas such as multi-piece wheels, truck rear underride, and review of the tire standard for its adequacy to test radial-tire construction. National Transportation Safety Board critique of the NASS program provided substantial guidance for upgrading of accident data collection efforts

Conclusion

The purpose of Federal motor vehicle performance standards is to assure the production of vehicles that embody socially desirable attributes -- safety, fuel efficiency, clean exhausts, and damage resistance. The standards we issue are explicitly designed to achieve the highest payoff to these ends. But the standards produce other benefits as well. They have helped

increase the competitive position of U.S.-made cars in the domestic and overseas markets. Regulatory programs have also spurred the development of many new industries that have contributed to the GNP and to employment.

The regulations we have discussed today also contribute to the long-term control of inflation by curbing economic expenditure that makes no contribution to our social and economic well-being. Repairing people and cars that have been unnecessarily injured or damaged in crashes contributes to inflation. Importing excessive amounts of petroleum degrades our international balance of payments, leading to a devaluation of the dollar that further feeds inflation. Our regulations help reduce significantly energy and hospital costs, two of the four most significant factors in the inflation fight. Every gallon of gasoline saved in motor vehicle transportation reduces the pressure to import petroleum.

Thus, we remain firmly convinced that the statutory directives set forth in the Vehicle Safety and Cost Savings Acts contribute vitally to the safety, health, and well-being of Americans.

This completes my prepared statement. I and my colleagues would be pleased to answer any questions you may have.