

Testimony of
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Before the
Subcommittee on Commerce, Manufacturing and Trade
House Committee on Energy and Commerce

September 25, 2015

Mr. Chairman, ranking member Schakowsky, members of the Subcommittee, thank you very much for the opportunity to testify today. I am John Bozzella, President and CEO of the Association of Global Automakers. Global Automakers represents international automobile manufacturers that design, build, and sell cars and light trucks in the United States. Last year, our members sold 43 percent of the new vehicles purchased in the United States and produced 40 percent of all vehicles built here.

The safety of Americans traveling on our roadways is a priority for all of our members. Our members support and encourage efforts to identify potential safety issues as early as possible, so they can be promptly investigated and, if necessary, repaired. As I testified here in June, Global Automakers supports efforts to dramatically improve recall completion rates, so that no one is left driving an unrepaired vehicle.

I have been asked for our perspective on two bills, the Motor Vehicle Safety Whistleblower Act and the Improving Recall Tracking Act.

In 2012, Congress included strong whistleblower provisions in MAP-21. We agree that whistleblower protection is a valuable tool for ensuring that safety concerns

will be promptly identified, investigated and remedied. The bill before the Subcommittee builds on this law.

Whistleblower protections have been incorporated into the safety practices of our members because they recognize that the manufacturer and its employees are the first line of defense in identifying and remedying safety concerns. Our member companies have instituted internal controls that empower employees to communicate with their employer about any problem they observe that could impair product quality or safety.

For example, many manufacturers train their employees specifically on product defect and safety issues and have dedicated safety officers who are responsible for following up on concerns raised by employees. In addition, manufacturers have established internal “hot lines” that empower employees to communicate potential problems. Such systems allow the company to take appropriate remedial steps, in many cases before the affected vehicles leave the factory.

But no system is foolproof. We recognize that whistleblower statutes can play an important role in improving motor vehicle safety. Thus, the regulations should give companies every reason and incentive to be informed of problems promptly,

so that they can investigate the issues and make any repairs that are needed. While it is important for whistleblowers to be able to report safety issues directly to the National Highway Traffic Safety Administration (NHTSA), the process should ensure that employees are not incentivized to shortcut or circumvent internal systems that would result in quicker problem resolution.

Our shared goal is to address defects, find remedies, and take care of the consumer as quickly as possible. To achieve this goal, implementing regulations should consider the following points:

First, whistleblowers should be required to report to the manufacturer, prior to filing a complaint with NHTSA, in order to qualify for a financial award.

Additionally, regulations should outline a procedure by which NHTSA would promptly notify the manufacturer when the agency receives a complaint.

Second, NHTSA should establish procedures to ensure that a complaint is accurate and reliable. The system should not prejudge the validity of claims. Procedures should encourage quick resolution of meritorious complaints and protect NHTSA from wasting resources chasing inaccurate allegations.

The second bill before the Subcommittee would establish a national vehicle identification number (VIN) database using registration data collected by state Department of Motor Vehicle (DMV) offices. We support efforts to increase recall completion rates. To that effect, we are conducting research to help us understand what drives consumers to respond to recall notices. We look forward to briefing the Subcommittee on the research findings.

We believe DMVs could help improve recall completion rates. This bill would allow manufacturers access to the most up-to-date information from the DMVs, which they could use to more effectively communicate recall notices to vehicle owners. In addition, DMVs could be encouraged to notify everyone who registers a motor vehicle about the recall status of that vehicle.

This bill also directs NHTSA to enable batch searching and processing of VINs on its [safercar.gov](https://www.safercar.gov) website. We are aware that the current NHTSA system has limitations, but it is our understanding that some vendors have developed their own tools that enable batch processing for a fee. We believe the Subcommittee should ensure the processes created by the bill are not unnecessarily duplicative.

Thank you again for the opportunity to appear before you today, and I would be happy to answer any questions you may have.

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