

and respectful and, above all, fair and just as we do this process.

**TRITIUM PRODUCTION PROVISION
IN THE STROM THURMOND NA-
TIONAL DEFENSE AUTHORIZA-
TION ACT FOR FISCAL YEAR 1999**

Mr. SESSIONS. Mr. President, on another subject, and the primary purpose of my being here this afternoon is to talk about the issue of tritium. It was a much debated issue in the Armed Services Committee bill.

I thank the chairman of the Senate Armed Services Committee, Senator STROM THURMOND, for his outstanding leadership, his commitment to this country and his dedication to America. He, at age 40, volunteered to fight—he was a judge—he forced his way into World War II, went off to Europe and volunteered on D-Day not just to land, he volunteered to get in one of the glider planes that they pulled up and let go and flew over the enemy lines and landed who knows where, in Belgium or somewhere near, to form commando groups to assist in the invasion effort.

Senator THURMOND recounted, when they asked him how rough the landing was, “Well, I’ll just say you didn’t have to open the door, you could just walk out the side of the plane.” It is kind of hard to land one of those things in hedgerows and who knows what else when they are coming down. He served his country.

I asked him, “What happened after the surrender of Germany? Were you there all the way to the surrender, STROM?”

He said, “Yes,” he was there until the day of the surrender, and then he was put on a train and sent to the Pacific, but Japan surrendered before he reached the battlefield in the Pacific.

He is a true patriot and has done an outstanding job on this entire defense bill—the Strom Thurmond National Defense Authorization Act. I do appreciate his willingness to work with us as we endeavored to reach a compromise on the question of tritium.

There was a colloquy on the floor of this body yesterday between Senator WARNER, Senator KYL and Senator ROBERT SMITH. Due to Hurricane Georges ravaging my hometown of Mobile, AL, I was not able to be here. But I appreciate Senator WARNER’s expressed concern for the people of our State during that colloquy. I would like to make a few comments, since I was not able to be here at that time.

First and foremost, tritium is an essential element for maintaining the safety, security and reliability of a national nuclear weapons stockpile. Without it, as Senator JON KYL alluded to yesterday, we place our ability to meet our stockpile needs under the START I treaty, by 2005, in a precarious situation.

Therefore, regardless of how passionate we may become in debating the merits of the options on this issue, let there be no doubt that the core of this

discussion lies in the U.S. national interests. And we cannot compromise that issue. We cannot compromise the national security interests of the United States.

For the last several years, the Department of Energy has been pursuing a dual-track strategy in considering two technologies for tritium production: One is a commercial light water reactor and the other a proton accelerator. I firmly believe it was premature for the House of Representatives to engage in a political effort that would have eliminated one of those options; that is, the commercial light water reactor option.

I personally believe that the commercial light water reactor option would be the most cost-effective and is the most proven way to produce tritium. So, we will have that debate coming up next year. We will go into some detail about it.

But beyond my own personal belief in the commercial light water reactor option, I continue to be committed to the support of the role that the experts at the Department of Energy and the Department of Defense must have to select the best option. We have had a process that has been going on for 2 years to have them analyze the options and make a selection. I believe they are better suited to deal with these technological questions than are Members of the House and the Senate.

So I worked hard, along with Senator SHELBY and Congressman ROBERT ADERHOLT and BOB RILEY and BUD CRAMER, and other Senate and House colleagues with the Senate Armed Services Committee and the House National Security Committee on this issue.

We did what we could to raise the issue. We let everyone who would listen know we were making a mistake to allow the politics of the moment rule the day. The amendment to eliminate the commercial light water reactor option was never debated in the House, but was attached to a large defense bill, and boom, passed. There was no discussion or debate on a measure that interrupted and abrogated the almost 2 years of study on tritium production by the Department of Energy.

There has been a lot of discussion about it. We concluded, according to recent CBO studies—that the accelerator option would cost between \$4 billion and \$13 billion more than the commercial light water reactor. That is a lot of money. We do not have \$4, \$5, \$6, \$7 billion or more to waste on that process.

So we have not had the final decision. The Department of Energy is analyzing it. They need to be allowed to complete their analysis. And that is what I believe was achieved in this bill. The process was allowed to continue. It was delayed somewhat, but I do not think it was delayed too long. But the Department of Energy will make its decision. And next year I suppose we will make our decision in this body,

and then in the other body, as to how tritium should be produced and in what process.

So I am pleased that we have reached this accord. Senator LOTT stated yesterday that “we cannot afford to delay this program.” I cannot agree more. And I hope this message is understood as we go forward to reaching a final solution on the production of tritium, an essential component for our nuclear arsenal.

In June, I entered a number of letters in the CONGRESSIONAL RECORD on this issue. We had letters from the Secretary of Defense, Secretary Cohen, and from the then Secretary of Energy, Secretary Peña, and the White House—all expressing grave concern about a political decision on a scientific, technical and defense issue. And Senator CARL LEVIN, my good friend from Michigan, was very strong in resisting this effort that had begun in the House of Representatives. So we now find ourselves on the right path again.

Secretary Richardson needs to move forward deliberately and aggressively in selecting the proper option. The Department’s implementation plan must be submitted early next year and should be carefully considered by this body, thoroughly debated and swiftly acted upon.

The majority leader, TRENT LOTT, and others have indicated they will be thoroughly engaged in the debate when it comes. This is the next and logical step in the tritium story. Its outcome will provide a roadmap to a future guarantee for our Nation’s security. I plan to be engaged in that important debate. I encourage my colleagues to do so as well.

I thank the Chair.

**NATIONAL SALVAGE MOTOR VEHICLE
CONSUMER PROTECTION
ACT OF 1998**

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 495, S. 852.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 852) to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Salvage Motor Vehicle Consumer Protection Act of 1997”.

SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States

Code, is amended by inserting a new chapter at the end:

“CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.

“33304. Report on funding.

“33305. Effect on State law.

“33306. Civil and criminal penalties.

“33307. Actions by States.

“§ 33301. Definitions

“(a) DEFINITIONS.—For the purposes of this chapter:

“(1) PASSENGER MOTOR VEHICLE.—The term ‘passenger motor vehicle’ shall have the same meaning given such term by section 32101(10), except, notwithstanding section 32101(9), it shall include a multipurpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), or a truck, other than a truck referred to in section 32101(10)(B), when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and except further, it shall only include a vehicle manufactured primarily for use on public streets, roads, and highways.

“(2) SALVAGE VEHICLE.—The term ‘salvage vehicle’ means any passenger motor vehicle, other than a flood vehicle or a nonrepairable vehicle, which—

“(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 80 percent of the retail value of the passenger motor vehicle;

“(B) is a late model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

“(C) the owner wishes to voluntarily designate as a salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

“(3) SALVAGE TITLE.—The term ‘salvage title’ means a passenger motor vehicle ownership document issued by the State to the owner of a salvage vehicle. A salvage title shall be conspicuously labeled with the word ‘salvage’ across the front.

“(4) REBUILT SALVAGE VEHICLE.—The term ‘rebuilt salvage vehicle’ means—

“(A) any passenger motor vehicle which was previously issued a salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating ‘Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed’ affixed to the driver’s door jamb; or

“(B) any passenger motor vehicle which was previously issued a salvage title, has passed a State anti-theft inspection, has been issued a

certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, and has, affixed to the driver’s door jamb, a decal stating ‘Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria’ in those States not requiring a safety inspection pursuant to section 33302(b)(8).

“(5) REBUILT SALVAGE TITLE.—The term ‘rebuilt salvage title’ means the passenger motor vehicle ownership document issued by the State to the owner of a rebuilt salvage vehicle. A rebuilt salvage title shall be conspicuously labeled either with the words ‘Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed’ or ‘Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria,’ as appropriate, across the front.

“(6) NONREPAIRABLE VEHICLE.—The term ‘nonrepairable vehicle’ means any passenger motor vehicle, other than a flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a nonrepairable vehicle certificate and shall never again be titled or registered.

“(7) NONREPAIRABLE VEHICLE CERTIFICATE.—The term ‘nonrepairable vehicle certificate’ means a passenger motor vehicle ownership document issued by the State to the owner of a nonrepairable vehicle. A nonrepairable vehicle certificate shall be conspicuously labeled with the word ‘Nonrepairable’ across the front.

“(8) SECRETARY.—The term ‘Secretary’ means the Secretary of Transportation.

“(9) LATE MODEL VEHICLE.—The term ‘Late Model Vehicle’ means any passenger motor vehicle which—

“(A) has a manufacturer’s model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

“(B) has a retail value of more than \$7,500.

The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

“(10) RETAIL VALUE.—The term ‘retail value’ means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

“(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

“(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

“(11) COST OF REPAIRS.—The term ‘cost of repairs’ means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

“(12) FLOOD VEHICLE.—The term ‘flood vehicle’ means any passenger motor vehicle that—

“(A) has been acquired by an insurance company as part of a damage settlement due to water damage; or

“(B) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except—

“(i) where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined to have no electrical, computerized or mechanical components which were damaged by water; or,

“(ii) where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

Disclosure that a vehicle is a flood vehicle must be made at the time of transfer of ownership and the brand ‘Flood’ shall be conspicuously marked on all subsequent titles for the vehicle. No inspection shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of ‘Flood’ pursuant to subparagraph (B). Disclosing a passenger motor vehicle’s status as a flood vehicle or conducting an inspection pursuant to subparagraph (B) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

“(b) CONSTRUCTION.—The definitions set forth in subsection (a) shall only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

“§ 33302. Passenger motor vehicle titling

“(a) CARRY-FORWARD OF INFORMATION ON A NEWLY ISSUED TITLE WHERE THE PREVIOUS TITLE FOR THE VEHICLE WAS NOT ISSUED PURSUANT TO NEW NATIONALLY UNIFORM STANDARDS.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year from the date of the enactment of this chapter, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘nonrepairable’, ‘reconstructed’, ‘rebuilt’, or any other symbol or word of like kind, or that it has been damaged by flood.

“(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of this chapter, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

“(1) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a salvage vehicle, a nonrepairable vehicle, a rebuilt salvage vehicle, or a flood vehicle.

“(2) Such information concerning a passenger motor vehicle’s status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

“(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

“(4) The certificate of title shall include the passenger motor vehicle make, model, body type,

year, odometer disclosure, and vehicle identification number.

“(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

“(6) A passenger motor vehicle designated as nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

“(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies with the requirements for a rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

“(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle's damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

“(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary's rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from which the mark or vehicle identification number has been legally removed or altered.

“(8) Any safety inspection for a rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

“(9) No duplicate or replacement title shall be issued unless the word 'duplicate' is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

“(10) A State shall employ the following titling and control methods:

“(A) If an insurance company is not involved in a damage settlement involving a salvage vehicle or a nonrepairable vehicle, the passenger motor vehicle owner shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

“(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a salvage title or nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or salvage facility or other agent on its behalf with all liens released.

“(C) If an insurance company does not assume ownership of an insured's or claimant's passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company shall notify the owner of the owner's obligation to apply for a salvage title or nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a salvage title or nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

“(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the lessor shall apply for a salvage title or nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

“(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a salvage or nonrepairable vehicle for which a salvage title or nonrepairable vehicle certificate has not been issued, shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

“(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a nonrepairable vehicle certificate after 2 transfers of ownership.

“(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or nonrepairable vehicle certificate, the State of

surrender shall notify the State of origin of the surrender of the title or nonrepairable vehicle certificate and of the destruction of such vehicle.

“(H) When a salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt salvage title for a passenger motor vehicle with a salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new salvage title for a salvage vehicle after a transfer of ownership.

“(I) After a passenger motor vehicle titled with a salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

“(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a rebuilt salvage title or vehicle registration, or both, by presenting to the State the salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a rebuilt salvage title or registration, or both, shall be issued to the owner. When a rebuilt salvage title is issued, the State records shall so note.

“(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, at or prior to the time of transfer of ownership, give the buyer a written notice that the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the word 'Flood' shall be conspicuously labeled across the front of the new title.

“(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a flood vehicle.

“(13) Ownership of a passenger motor vehicle may be transferred on a salvage title, however, a passenger motor vehicle for which a salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

“(14) Ownership of a passenger motor vehicle may be transferred on a rebuilt salvage title, and a passenger motor vehicle for which a rebuilt salvage title has been issued may be registered for use on the roads and highways.

“(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a nonrepairable vehicle certificate. A passenger motor vehicle for which a nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

“(c) CONSUMER NOTICE IN NONCOMPLIANT STATES.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of this chapter and not complying with the requirements of subsections (a) and (b) of this section, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subsections (a) and (b) of this section: 'NOTICE: This State does not conform to the uniform Federal requirements of the National Salvage Motor Vehicle Consumer Protection Act of 1997.'

§33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles

“(a) WRITTEN DISCLOSURE REQUIREMENTS.—

“(1) GENERAL RULE.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a rebuilt salvage vehicle shall give the transferee a written disclosure that the vehicle is a rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

“(2) FALSE STATEMENT.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

“(3) COMPLETENESS.—A person acquiring a rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

“(4) REGULATIONS.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

“(b) LABEL REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State antitheft inspection in a participating State.

“(2) REMOVAL, ALTERATION, OR ILLEGIBILITY OF REQUIRED LABEL.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

“(c) LIMITATION.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

§33304. Report on funding

“The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

§33305. Effect on State law

“(a) IN GENERAL.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

“(1) set forth the form of the passenger motor vehicle title;

“(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms ‘salvage’, ‘nonrepairable’, or ‘flood’, or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

“(3) set forth titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle. The requirements described in paragraph (3) shall not be construed to affect any State con-

sumer law actions that may be available to residents of the State for violations of this chapter.

“(b) CONSTRUCTION.—Additional disclosures of a passenger motor vehicle’s title status or history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt salvage title that a rebuilt salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

§33306. Civil and criminal penalties

“(a) PROHIBITED ACTS.—It shall be unlawful for any person knowingly and willfully to—

“(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

“(2) fail to apply for a salvage title when such an application is required;

“(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

“(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

“(5) offer to sell any salvage vehicle or nonrepairable vehicle as a rebuilt salvage vehicle;

“(6) fail to make any disclosure required by section 33303, except when the person lacks actual knowledge of the status of the rebuilt salvage vehicle;

“(7) violate a regulation prescribed under this chapter; or

“(8) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), or (7).

“(b) CIVIL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to \$2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

“(c) CRIMINAL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined up to \$50,000 or sentenced to up to 3 years imprisonment or both, per offense.

§33307. Actions by States

“(a) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has violated or is violating section 33302 or 33303, the State, as *parens patriae*, may bring a civil action on behalf of its residents in an appropriate district court of the United States or the appropriate State court to enjoin such violation or to enforce the civil penalties under section 33306 or enforce the criminal penalties under section 33306.

“(b) NOTICE.—The State shall serve prior written notice of any civil or criminal action under subsection (a) or (c)(2) upon the Attorney General and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting a civil or criminal action, the Attorney General shall have the right—

“(1) to intervene in such action;

“(2) upon so intervening, to be heard on all matters arising therein; and

“(3) to file petitions for appeal.

“(c) CONSTRUCTION.—For purposes of bringing any civil or criminal action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

“(d) VENUE; SERVICE OF PROCESS.—Any civil or criminal action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

“(e) ACTIONS BY STATE OFFICIALS.—

“(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

“(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents.”

(b) CONFORMING AMENDMENT.—The table of chapters for part C at the beginning of subtitle VI of title 49, United States Code, is amended by inserting at the end the following new item:

“333. Automobile safety and title disclosure requirements 33301”.

SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) DEFINITIONS.—

(1) Amend section 30501(4) of title 49, United States Code, to read as follows:

“(4) ‘nonrepairable vehicle’, ‘salvage vehicle’, and ‘rebuilt salvage vehicle’ have the same meanings given those terms in section 33301 of this title.”

(2) Amend section 30501(5) of title 49, United States Code, by striking “junk automobiles” and inserting “nonrepairable vehicles”.

(3) Amend section 30501(8) by striking “salvage automobiles” and inserting “salvage vehicles”.

(4) Strike paragraph (7) of section 30501 of title 49, United States Code, and renumber the succeeding sections accordingly.

(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.—

(1) Amend section 30502(d)(3) of title 49, United States Code, to read as follows:

“(3) whether an automobile known to be titled in a particular State is or has been a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle;”

(2) Amend section 30502(d)(5) of title 49, United States Code, to read as follows:

“(5) whether an automobile bearing a known vehicle identification number has been reported as a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle under section 30504 of this title.”

(c) STATE PARTICIPATION.—Amend section 30503 of title 49, United States Code, to read as follows:

“§30503. State participation

“(a) STATE INFORMATION.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

“(b) VERIFICATION CHECKS.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a

certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

- “(1) communicating to the operator—
- “(A) the vehicle identification number of the automobile for which the certificate of title is sought;
- “(B) the name of the State that issued the most recent certificate of title for the automobile; and
- “(C) the name of the individual or entity to whom the certificate of title was issued; and
- “(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

“(c) GRANTS TO STATES.—

“(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

- “(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and
- “(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

“(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

“(d) REPORT TO CONGRESS.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.”.

(d) REPORTING REQUIREMENTS.—Section 30504 of title 49, United States Code, is amended by striking “junk automobiles or salvage automobiles” every place it appears and inserting “nonrepairable vehicles, rebuilt salvage vehicles, or salvage vehicles”.

AMENDMENT NO. 3683

(Purpose: To establish a uniform system for titling and registering vehicles that are salvaged, irreparably damaged, or rebuilt)

Mr. SESSIONS. Mr. President, Senator GORTON has a substitute amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for Mr. GORTON, proposes an amendment numbered 3683.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under “Amendments Submitted.”)

AMENDMENT NO. 3684 TO AMENDMENT NO. 3683

(Purpose: To modify certain terms to clarify that certain Federal laws requiring labeling and titling of salvage vehicles do not preempt more stringent State laws)

Mr. SESSIONS. Mr. President, Senators LEVIN and FEINSTEIN have an amendment to the amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] for Mr. LEVIN, for himself, Mrs. FEINSTEIN

and Mr. BRYAN, proposes an amendment numbered 3684 to amendment No. 3683.

Mr. SESSIONS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, before line 1, strike the item relating to section 33303 and insert the following:

“33303. Disclosure and label requirements on transfer of rebuilt Federal salvage vehicles.

On page 2, lines 17 and 18, strike “SALVAGE VEHICLE.—The term ‘salvage vehicle’” and insert “FEDERAL SALVAGE VEHICLE.—The term ‘Federal salvage vehicle’”.

On page 4, line 10, strike “SALVAGE TITLE.—The term ‘salvage title’” and insert “FEDERAL SALVAGE TITLE.—The term ‘Federal salvage title’”.

On page 4, lines 15 and 16, strike “REBUILT SALVAGE VEHICLE.—The term ‘rebuilt salvage vehicle’” and insert “FEDERAL REBUILT SALVAGE VEHICLE.—The term ‘Federal rebuilt salvage vehicle’”.

On page 5, line 4, strike “Rebuilt” and insert “Federal Rebuilt”.

On page 5, line 14, strike “Rebuilt” and insert “Federal Rebuilt”.

On page 5, beginning on line 19, strike “REBUILT SALVAGE TITLE.—The term ‘rebuilt salvage title’” and insert “FEDERAL REBUILT SALVAGE TITLE.—The term ‘Federal rebuilt salvage title’”.

On page 5, line 22, strike “rebuilt salvage” and insert “Federal rebuilt salvage”.

On page 5, line 22, strike “a rebuilt salvage” and insert “a Federal rebuilt salvage”.

On page 5, lines 24 and 25, strike “Rebuilt Salvage” each place that term appears and insert “Federal Rebuilt Salvage”.

On page 6, lines 4 and 5, strike “NONREPAIRABLE VEHICLE.—The term ‘nonrepairable vehicle’” and insert “FEDERAL NONREPAIRABLE VEHICLE.—The term ‘Federal nonrepairable vehicle’”.

On page 6, line 11, strike “nonrepairable” and insert “Federal nonrepairable”.

On page 6, lines 14 and 15, strike “NONREPAIRABLE VEHICLE CERTIFICATE.—The term ‘nonrepairable vehicle certificate’” and insert “FEDERAL NONREPAIRABLE VEHICLE CERTIFICATE.—The term ‘Federal nonrepairable vehicle certificate’”.

On page 6, lines 17 through 18, strike “nonrepairable” and insert “Federal nonrepairable”.

On page 6, line 18, strike “nonrepairable” and insert “Federal nonrepairable”.

On page 6, line 19, strike “word” and insert “words”.

On page 6, lines 19 and 20, strike “Nonrepairable” and insert “Federal nonrepairable”.

On page 8, line 3, strike “FLOOD VEHICLE.—” and insert “FEDERAL FLOOD VEHICLE.—”.

On page 9, line 8, strike “FLOOD” and insert “FEDERAL FLOOD”.

On page 9, line 11, strike “Flood” and insert “Federal Flood”.

On page 22, strike lines 20 and 21 and insert the following:

“§ 33303. Disclosure and label requirements on transfer of Federal rebuilt salvage vehicles”

On page 21, line 2, strike “word” and insert “words”.

On page 21, line 2, strike “Flood” and insert “Federal Flood”.

Strike “salvage” and insert “Federal salvage” on the following pages and in or beginning on the following lines:

- (1) Page 3, line 15.
- (2) Page 4, lines 12, 13, 14, and 18.

- (3) Page 5, line 9.
- (4) Page 11, line 14.
- (5) Page 15, lines 17, 18, and 20.
- (6) Page 16, lines 7, 11, 16, 19, and 22.
- (7) Page 17, lines 5, 6, 18, 19, and 21.
- (8) Page 19, lines 8, 11, 12, 19, and 22.
- (9) Page 20, line 10.
- (10) Page 21, lines 10 and 11.
- (11) Page 25, lines 15 and 22.
- (12) Page 27, line 15.
- (13) Page 28, line 4.
- (14) Page 31, lines 11 and 19.
- (15) Page 32, line 12.
- (16) Page 34, line 17.
- Strike “flood” and insert “Federal flood” on the following pages and in or beginning on the following lines:
 - (1) Page 6, line 6.
 - (2) Page 9, line 14.
 - (3) Page 11, line 15.
 - (4) Page 21, line 8.
 - (5) Page 25, lines 16 and 23.
- Strike “rebuilt salvage” and insert “Federal rebuilt salvage” on the following pages and in or beginning on the following lines:
 - (1) Page 5, line 22 (each place it appears).
 - (2) Page 11, lines 14 and 15.
 - (3) Page 12, line 14.
 - (4) Page 14, line 18.
 - (5) Page 20, lines 8 through 9, 16, and 14.
 - (6) Page 21, lines 16 and 17.
 - (7) Page 22, line 25.
 - (8) Page 23, lines 3, 11, and 20.
 - (9) Page 24, lines 4 and 9.
 - (10) Page 25, line 22.
 - (11) Page 27, line 4.
 - (12) Page 28, line 5.
 - (13) Page 31, line 12.
 - (14) Page 32, lines 5 and 11.
 - (15) Page 34, line 16.
- Strike “nonrepairable” and insert “Federal nonrepairable” on the following pages and in or beginning on the following lines:
 - (1) Page 11, line 14.
 - (2) Page 12, line 9.
 - (3) Page 15, lines 18 and 20.
 - (4) Page 16, lines 5, 8, 17, 20, and 23.
 - (5) Page 17, lines 5, 6 through 7, 18, 19, and 21.
 - (6) Page 18, lines 8, 12, 15, and 22.
 - (7) Page 19, lines 3 and 6.
 - (8) Page 21, lines 21 and 23.
 - (9) Page 25, lines 15 through 16.
 - (10) Page 25, lines 22 through 23.
 - (11) Page 27, line 18.
 - (12) Page 28, lines 4 and 5.
 - (13) Page 31, lines 11 and 15 through 16.
 - (14) Page 32, lines 4 and 11.
 - (15) Page 34, line 16.
- On page 10, line 20, strike “title.” and insert “title, or that the vehicle was a ‘Federal salvage vehicle’, ‘Federal rebuilt salvage vehicle’, ‘Federal flood vehicle’, or ‘Federal nonrepairable vehicle’.”.
- On page 11, line 15, strike “vehicle.” and insert “vehicle, or if records readily available to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol referred to in subsection (a).”.
- On page 27, between lines 7 and 8, insert the following:
 - “(d) STATUTORY CONSTRUCTION.—Except as specifically provided in this chapter, nothing in this chapter is intended to affect any State law—
 - “(1) relating to the inspection or titling of, disclosure, or other action concerning salvage, rebuilt salvage, flood, or nonrepairable motor vehicles; or
 - “(2) that provides for more stringent protection of a purchaser of a used motor vehicle.
- On page 32, strike lines 1 through 12 and insert the following:
 - (1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:
 - “(3) whether an automobile known to be titled in a particular State—

“(A) is or has been a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle; or

“(B) was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, or any other symbol or word of like kind, or that the vehicle has been damaged by flood.”.

(2) Section 30502(d)(5) of title 49, United States Code, is amended to read as follows:

“(5) whether—

“(A) an automobile bearing a known vehicle identification number has been reported as a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle under section 30504 of this title; or

“(B) the vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, or any other symbol or word of like kind, or that the vehicle has been damaged by flood.”.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the amendments be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3684 and No. 3683, as amended) was agreed to.

Mr. SESSIONS. I ask unanimous consent that the substitute amendment, as amended, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The substitute amendment, as amended, was agreed to.

Mr. SESSIONS. I ask unanimous consent that the bill be considered read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 852), as amended, was considered read the third time and passed, as follows:

S. 852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Salvage Motor Vehicle Consumer Protection Act of 1998”.

SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States Code, is amended by inserting a new chapter at the end:

“CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of rebuilt Federal salvage vehicles.

“33304. Report on funding.

“33305. Effect on State law.

“33306. Civil penalties.

“33307. Actions by States.

“§ 33301. Definitions

“(a) DEFINITIONS.—For the purposes of this chapter:

“(1) PASSENGER MOTOR VEHICLE.—The term ‘passenger motor vehicle’ has the same meaning given such term by section

32101(10), except, notwithstanding section 32101(9), it includes a multipurpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), a truck, other than a truck referred to in section 32101(10)(B), and a pickup truck when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and it only includes a vehicle manufactured primarily for use on public streets, roads, and highways.

“(2) FEDERAL SALVAGE VEHICLE.—The term ‘Federal salvage vehicle’ means any passenger motor vehicle, other than a flood vehicle or a nonrepairable vehicle, which—

“(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the passenger motor vehicle;

“(B) is a late model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

“(C) the owner wishes to voluntarily designate as a Federal salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

Notwithstanding any other provision of this chapter, a State may use the term ‘older model salvage vehicle’ to designate a wrecked, destroyed, or damaged vehicle that does not meet the definition of a late model vehicle in paragraph (9). If a State, as of the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, has established a salvage definition at a lesser percentage than provided under subparagraph (A), then that definition shall not be considered to be inconsistent with the provisions of this chapter.

“(3) FEDERAL SALVAGE TITLE.—The term ‘Federal salvage title’ means a passenger motor vehicle ownership document issued by the State to the owner of a Federal salvage vehicle. A Federal salvage title shall be conspicuously labeled with the words ‘Federal salvage’ across the front.

“(4) FEDERAL REBUILT SALVAGE VEHICLE.—The term ‘Federal rebuilt salvage vehicle’ means—

“(A) any passenger motor vehicle which was previously issued a Federal salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating ‘Federal Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed’ affixed to the driver’s door jamb; or

“(B) any passenger motor vehicle which was previously issued a Federal salvage title, has passed a State anti-theft inspection, has been issued a certificate indicating that the

passenger motor vehicle has passed the required anti-theft inspection, and has, affixed to the driver’s door jamb, a decal stating ‘Federal Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria’ in those States not requiring a safety inspection pursuant to section 33302(b)(8).

“(5) FEDERAL REBUILT SALVAGE TITLE.—The term ‘Federal rebuilt salvage title’ means the passenger motor vehicle ownership document issued by the State to the owner of a Federal rebuilt salvage vehicle. A Federal rebuilt salvage title shall be conspicuously labeled either with the words ‘Federal Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed’ or ‘Federal Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria’, as appropriate, across the front.

“(6) FEDERAL NONREPAIRABLE VEHICLE.—The term ‘Federal nonrepairable vehicle’ means any passenger motor vehicle, other than a Federal flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a Federal nonrepairable vehicle certificate and shall never again be titled or registered.

“(7) FEDERAL NONREPAIRABLE VEHICLE CERTIFICATE.—The term ‘Federal nonrepairable vehicle certificate’ means a passenger motor vehicle ownership document issued by the State to the owner of a Federal nonrepairable vehicle. A Federal nonrepairable vehicle certificate shall be conspicuously labeled with the words ‘Federal nonrepairable’ across the front.

“(8) SECRETARY.—The term ‘Secretary’ means the Secretary of Transportation.

“(9) LATE MODEL VEHICLE.—The term ‘Late Model Vehicle’ means any passenger motor vehicle which—

“(A) has a manufacturer’s model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

“(B) has a retail value of more than \$7,500.

The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

“(10) RETAIL VALUE.—The term ‘retail value’ means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

“(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

“(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

“(11) COST OF REPAIRS.—The term ‘cost of repairs’ means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

“(12) FEDERAL FLOOD VEHICLE.—

“(A) IN GENERAL.—The term ‘flood vehicle’ means any passenger motor vehicle that—

“(i) has been acquired by an insurance company as part of a damage settlement due to water damage; or

“(ii) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except where a passenger

motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined—

“(I) to have no electrical, computerized or mechanical components which were damaged by water; or

“(II) to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

“(B) INSPECTION NOT REQUIRED FOR ALL FEDERAL FLOOD VEHICLES.—No inspection under subparagraph (A) shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of ‘Federal Flood’ pursuant to this chapter.

“(C) EFFECT OF DISCLOSURE.—Disclosing a passenger motor vehicle’s status as a Federal flood vehicle or conducting an inspection pursuant to subparagraph (A) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

“(b) CONSTRUCTION.—The definitions set forth in subsection (a) only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

“§ 33302. Passenger motor vehicle titling

“(a) CARRY-FORWARD OF STATE INFORMATION.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘older model salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘nonrepairable’, ‘reconstructed’, ‘rebuilt’, or any other symbol or word of like kind, or that it has been damaged by flood, and the name of the State that issued that title, or that the vehicle was a ‘Federal salvage vehicle’, ‘Federal rebuilt salvage vehicle’, ‘Federal flood vehicle’, or ‘Federal nonrepairable vehicle’.

“(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

“(I) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a Federal salvage vehicle, a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal

flood vehicle, or if records readily available to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol referred to in subsection (a).

“(2) Such information concerning a passenger motor vehicle’s status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

“(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

“(4) The certificate of title shall include the passenger motor vehicle make, model, body type, year, odometer disclosure, and vehicle identification number.

“(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

“(6) A passenger motor vehicle designated as Federal nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

“(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies with the requirements for a Federal rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

“(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle’s damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

“(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary’s rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from

which the mark or vehicle identification number has been legally removed or altered.

“(8) Any safety inspection for a Federal rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

“(9) No duplicate or replacement title shall be issued unless the word ‘duplicate’ is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

“(10) A State shall employ the following titling and control methods:

“(A) If an insurance company is not involved in a damage settlement involving a Federal salvage vehicle or a Federal nonrepairable vehicle, the passenger motor vehicle owner shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

“(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or Federal nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or Federal salvage facility or other agent on its behalf with all liens released.

“(C) If an insurance company does not assume ownership of an insured’s or claimant’s passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a Federal salvage vehicle or Federal nonrepairable vehicle, the insurance company shall notify the owner of the owner’s obligation to apply for a Federal salvage title or Federal nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a Federal salvage title or Federal nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

“(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a Federal salvage vehicle or Federal nonrepairable vehicle, the lessor shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

“(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a Federal salvage or Federal

nonrepairable vehicle for which a Federal salvage title or Federal nonrepairable vehicle certificate has not been issued, shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

“(F) State records shall note when a non-repairable vehicle certificate is issued. No State shall issue a Federal nonrepairable vehicle certificate after 2 transfers of ownership.

“(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or Federal nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a Federal nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the Federal nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or Federal nonrepairable vehicle certificate, the State of surrender shall notify the State of origin of the surrender of the title or Federal nonrepairable vehicle certificate and of the destruction of such vehicle.

“(H) When a Federal salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt Federal salvage title for a passenger motor vehicle with a Federal salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new Federal salvage title for a Federal salvage vehicle after a transfer of ownership.

“(I) After a passenger motor vehicle titled with a Federal salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

“(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a Federal rebuilt salvage title or vehicle registration, or both, by presenting to the State the Federal salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a Federal rebuilt salvage title or registration, or both, shall be issued to the owner. When a Federal rebuilt salvage title is issued, the State records shall so note.

“(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written notice that

the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the words ‘Federal Flood’ shall be conspicuously labeled across the front of the new title.

“(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a Federal flood vehicle.

“(13) Ownership of a passenger motor vehicle may be transferred on a Federal salvage title, however, a passenger motor vehicle for which a Federal salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

“(14) Ownership of a passenger motor vehicle may be transferred on a Federal rebuilt salvage title, and a passenger motor vehicle for which a Federal rebuilt salvage title has been issued may, if permitted by State law, be registered for use on the roads and highways.

“(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a Federal nonrepairable vehicle certificate. A passenger motor vehicle for which a Federal nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

“(c) CONSUMER NOTICE IN NONCOMPLIANT STATES.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998 and not complying with the requirements of subsections (a) and (b) of this section, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subsections (a) and (b) of this section: ‘NOTICE: This State does not conform to the uniform Federal requirements of the National Salvage Motor Vehicle Consumer Protection Act of 1998.’

“(d) ELECTRONIC PROCEDURES.—A State may employ electronic procedures in lieu of paper documents whenever such electronic procedures provide the same information, function, and security otherwise required by this section.

“§ 33303. Disclosure and label requirements on transfer of Federal rebuilt salvage vehicles

“(a) WRITTEN DISCLOSURE REQUIREMENTS.—

“(1) GENERAL RULE.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a Federal rebuilt salvage vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written disclosure that the vehicle is a Federal rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

“(2) FALSE STATEMENT.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

“(3) COMPLETENESS.—A person acquiring a Federal rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

“(4) REGULATIONS.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

“(b) LABEL REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a Federal rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State anti-theft inspection in a participating State.

“(2) REMOVAL, ALTERATION, OR ILLEGIBILITY OF REQUIRED LABEL.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a Federal rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

“(c) LIMITATION.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a Federal rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

“§ 33304. Report on funding

“The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

“§ 33305. Effect on State law

“(a) IN GENERAL.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

“(1) set forth the form of the passenger motor vehicle title;

“(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms ‘Federal salvage’, ‘Federal nonrepairable’, or ‘Federal flood’, or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

“(3) set forth titling, recordkeeping, anti-theft inspection, or control procedures in connection with any Federal salvage vehicle, Federal rebuilt salvage vehicle, Federal nonrepairable vehicle, or Federal flood vehicle.

“(b) EXCEPTIONS.—

“(1) PASSENGER MOTOR VEHICLE; OLDER MODEL SALVAGE.—Subsection (a)(2) does not preempt State use of the term—

“(A) ‘passenger motor vehicle’ in statutes not related to titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle; or

“(B) ‘older model salvage’ to designate a wrecked, destroyed, or damaged vehicle that is older than a late model vehicle.

“(2) CONSUMER LAW ACTIONS.—Nothing in this chapter may be construed to affect any private right of action under State law.

“(c) CONSTRUCTION.—Additional disclosures of a passenger motor vehicle's title status or

history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt national salvage title that a Federal rebuilt national salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

"(d) STATUTORY CONSTRUCTION.—Except as specifically provided in this chapter, nothing in this chapter is intended to affect any State law—

"(1) relating to the inspection or titling of, disclosure, or other action concerning salvage, rebuilt salvage, flood, or nonrepairable motor vehicles; or

"(2) that provides for more stringent protection of a purchaser of a used motor vehicle.

§ 33306. Civil penalties

"(a) PROHIBITED ACTS.—It is unlawful for any person knowingly to—

"(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

"(2) fail to apply for a Federal salvage title when such an application is required;

"(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a Federal nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

"(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

"(5) offer to sell any Federal salvage vehicle or Federal nonrepairable vehicle as a Federal rebuilt salvage vehicle;

"(6) fail to make any disclosure required by section 33302(b)(11);

"(7) fail to make any disclosure required by section 33303;

"(8) violate a regulation prescribed under this chapter;

"(9) move a vehicle or a vehicle title in interstate commerce for the purpose of avoiding the titling requirements of this chapter; or

"(10) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (9).

"(b) CIVIL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to \$2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

§ 33307. Actions by States

"(a) IN GENERAL.—When a person violates any provision of this chapter, the chief law enforcement officer of the State in which the violation occurred may bring an action—

"(1) to restrain the violation;

"(2) recover amounts for which a person is liable under section 33306; or

"(3) to recover the amount of damage suffered by any resident in that State who suffered damage as a result of the knowing com-

mission of an unlawful act under section 33306(a) by another person.

"(b) STATUTE OF LIMITATIONS.—An action under subsection (a) shall be brought in any court of competent jurisdiction within 2 years after the date on which the violation occurs.

"(c) NOTICE.—The State shall serve prior written notice of any action under subsection (a) or (f)(2) upon the Attorney General of the United States and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting an action, the Attorney General shall have the right—

"(1) to intervene in such action;

"(2) upon so intervening, to be heard on all matters arising therein; and

"(3) to file petitions for appeal.

"(d) CONSTRUCTION.—For purposes of bringing any action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(e) VENUE; SERVICE OF PROCESS.—Any action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

"(f) ACTIONS BY STATE OFFICIALS.—

"(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

"(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents."

(b) CONFORMING AMENDMENT.—The table of chapters for part C at the beginning of subtitle VI of title 49, United States Code, is amended by inserting at the end the following new item:

“333. AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS 33301”.

SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) DEFINITIONS.—

(1) Section 30501(4) of title 49, United States Code, is amended to read as follows:

“(4) ‘Federal nonrepairable vehicle’, ‘Federal salvage vehicle’, and ‘Federal rebuilt salvage vehicle’ have the same meanings given those terms in section 33301 of this title.”.

(2) Section 30501(5) of such title is amended by striking “junk automobiles” and inserting “Federal nonrepairable vehicles”.

(3) Section 30501(8) of such title is amended by striking “salvage automobiles” and inserting “Federal salvage vehicles”.

(4) Section 30501 of such title is amended by striking paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.—

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

“(3) whether an automobile known to be titled in a particular State—

“(A) is or has been a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle; or

“(B) was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, or any other symbol or word of like kind, or that the vehicle has been damaged by flood.”.

(2) Section 30502(d)(5) of title 49, United States Code, is amended to read as follows:

“(5) whether—

“(A) an automobile bearing a known vehicle identification number has been reported as a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle under section 30504 of this title; or

“(B) the vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, or any other symbol or word of like kind, or that the vehicle has been damaged by flood.”.

(c) STATE PARTICIPATION.—Section 30503 of title 49, United States Code, is amended to read as follows:

“§ 30503. State participation

“(a) STATE INFORMATION.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

“(b) VERIFICATION CHECKS.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

“(1) communicating to the operator—

“(A) the vehicle identification number of the automobile for which the certificate of title is sought;

“(B) the name of the State that issued the most recent certificate of title for the automobile; and

“(C) the name of the individual or entity to whom the certificate of title was issued; and

“(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

“(c) GRANTS TO STATES.—

“(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

“(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and

“(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

“(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

“(d) REPORT TO CONGRESS.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.”.

(d) REPORTING REQUIREMENTS.—Section 30504 of title 49, United States Code, is amended by striking “junk automobiles or salvage automobiles” every place it appears and inserting “Federal nonrepairable vehicles, Federal rebuilt salvage vehicles, or Federal salvage vehicles”.

SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIBITED SALE OF NONQUALIFYING VEHICLES FOR USE AS SCHOOLBUSES.

Section 30112 of title 49, United States Code, is amended by adding at the end thereof the following:

“(C) NOTIFICATION PROGRAM FOR DEALERS CONCERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not later than September 1, 1998, the Secretary shall develop and implement a program to notify dealers and distributors in the United States that subsection (a) prohibits the sale or delivery of any vehicle for use as a schoolbus (as that term is defined in section 30125(a)(1) of this title) that does not meet the standards prescribed under section 30125(b) of this title.”.

Passed the Senate October 2, 1998.

Mr. LOTT. Mr. President, today, I want to talk to my colleagues about used cars. No, I don't want to sell one, I want to talk about how my colleagues have worked to protect every American who purchases a used car.

Mr. President, the Title Branding Bill that I co-authored with Senator FORD passed this chamber by unanimous consent. This significant consumer protection legislation is long overdue. It will protect you and other consumers from unknowingly buying a severely damaged auto from dishonest rebuilders.

Our bill will help eliminate the growing fraud of selling rebuilt vehicles that have been “totaled” and then sold to consumers who are never informed of the vehicle's damage history. This deceptive practice costs Americans nearly \$4 billion annually. Today, Congress has helped solve this \$4 billion problem.

Mr. President, here is another statistic that scares me, and should also scare our colleagues. It is estimated that each year, one million cars are totaled, rebuilt, and put back on the roads. As you go home tonight try to imagine which car around you is one of the million put back this year.

Clearly Senator FORD and I have addressed an issue that affects everyone—those who buy and drive used cars and those who share the roads with them. Remember, that's one million totaled cars per year that are structurally unsafe to drive. These previously totaled cars and trucks are put back on our roads here in DC, in my home state of Mississippi, and all across the nation.

Mr. President, I am pleased that some states require disclosure on a vehicle's title to indicate its damage history, however, these requirements vary from state to state. As a result, unscrupulous re-builders can take advantage of the inconsistencies in state titling procedures to obtain what are known as “clean or washed” titles. Adopting a uniform federal standard will eliminate this problem by closing the loopholes.

In 1992, Congress directed the Secretary of Transportation to establish a taskforce to study the problems related to motor vehicle titling, and more importantly, the specific problems that have contributed to this serious consumer fraud. The taskforce included all stakeholders representing a wide array

of interests. This diverse group provided specific recommendations that became the foundation upon which Senator FORD and I built S. 852, the National Salvage Motor Vehicle Consumer Protection Act. Mr. President, our goal is simple and direct—to protect Americans on our roads with a uniform disclosure standard.

Mr. President, contrary to what some people believe, our bill is not a federal mandate on the states. The bill does not restrict the ability of states to adopt higher “damage disclosure” requirements. Rather this bill provides the basic minimum federal standard while giving states the necessary flexibility to adopt more regulations if they so choose.

As a result of our bipartisan effort, we have a bill that I firmly believe will benefit individuals, state motor vehicle administrators, automobile dealers, insurance companies and policy holders, consumer groups, salvage yards and many others involved in used car commerce.

Our bill requires that if a salvage vehicle is rebuilt, it must have a theft inspection, as well as any required state safety inspection, and a branded title must be obtained before the vehicle is considered road-worthy. In addition, all rebuilt salvage vehicles must have a decal permanently affixed to the driver's door jamb, and its window, indicating that the vehicle has been rebuilt and specifying whether the vehicle has passed an approved safety inspection.

In the future, a vehicle's title will disclose the damage history with a uniform minimum standard. A brand from one state will be carried forward to any new state in which the vehicle is registered. And, irreparably damaged vehicles' Vehicle Identification Numbers (VIN) will be tracked to help address automobile theft. I would also like to point out that while civil damages may be recovered by those who are victims of these fraudulent schemes, this bill will not prohibit currently permitted private rights of action.

Mr. President, this legislation is a major step toward reducing motor vehicle titling fraud, improving consumer protection and disclosing valuable information to every American, their families and friends about a vehicle's damage history.

Mr. President, as I mentioned earlier, this bill has been crafted in a bipartisan fashion. I want to thank my Commerce Committee colleague from Kentucky, the Minority Whip, Senator FORD, for co-authoring this legislation with me. This bill is a fitting tribute to protect consumers as my friend retires from the Senate this year.

I also greatly appreciate the support and cosponsorship of 57 of my colleagues in the Senate, including the distinguished Minority Leader, Senator DASCHLE. I also appreciate the efforts of Senator MCCAIN for his stewardship as Chairman of the Senate Commerce Committee. Additionally, I want to thank Senator HOLLINGS for his input

and contributions to this legislative approach. I also want to commend my friend and colleague from Washington State, Senator GORTON, for his diligent work over the past several months to improve this bill. Senators LEVIN and FEINSTEIN also deserve recognition for their efforts to provide states with maximum flexibility.

Mr. President, I also want to take this opportunity to congratulate all of my colleagues for passing this important nonpartisan measure by unanimous consent. It is another example of how this Congress can put aside partisan differences and deliver significant legislation for the American people.

In this particular case, it demonstrates that my colleagues are serious about protecting American consumers from fraud. By promoting the use of a uniform disclosure standard, Congress will help put dishonest rebuilders out of business, save consumers and automobile dealers as much as \$4 billion annually, and keep 1 million totaled vehicles from being put back on the road each year.

I would like to take a moment and recognize a few people who made this legislative effort successful. The first is Mr. Al East of East Ford in Jackson, Mississippi. Mr. East, a past president of the Mississippi National Automobile Dealers Association, identified the problem facing consumers and dealers in my home state and across the country.

As an automobile dealer himself, Mr. East knows first hand the tremendous cost that title washing has on the used car industry. Al East's dedication to his clients, his community and to American automobile industry, and his work on the Board of Directors for the National Automobile Dealers Association has positively effected this much needed legislation.

I also want to recognize Ruddy Dossett, of Dossett Big Four in Tupelo, Mississippi for his testimony before the Commerce Committee.

Additionally, I would like to acknowledge the Congressional staff who labored on the details. They include Clay Williams and Steven Apicella from my office, Lance Bultena, Jim Drewery and Moses Boyd from the Commerce Committee, David Regan from Senator FORD's office, and Jeanne Bumpus, from Senator GORTON's office. Each made a significant and tangible contribution to the bill. Each had the used car consumer in mind as they dotted the i's and the t's.

As you are aware Mr. President, the House of Representatives took up a different companion bill last year that passed by an overwhelming majority. I call upon the House to complete the legislative process by working with the Senate's conferees and by ultimately passing this important automobile titling legislation.

Mr. President, I am very proud that members from both sides of the aisle are continuing to fulfill the peoples' business.

By passing this title branding bill today, the Senate has taken an important step toward removing structurally unsafe cars and trucks that would otherwise share the roads with our friends, neighbors, and loved ones. On behalf of all American motorists, I thank all my colleagues for voting in favor of this important pro-consumer, anti-fraud, anti-criminal legislation.

Mr. SESSIONS. Mr. President, I yield the floor.

RECESS UNTIL 11 A.M., MONDAY, OCTOBER 5, 1998

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until Monday, October 5, 1998, at 11 a.m.

Whereupon, the Senate, at 4:57 p.m., recessed until Monday, October 5, 1998, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate October 2, 1998:

DEPARTMENT OF JUSTICE

MARIA BORRERO, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE OFFICE FOR VICTIMS OF CRIME, VICE AILEEN CATHERINE ADAMS.

POSTAL RATE COMMISSION

DANA BRUCE COVINGTON, SR., OF MISSISSIPPI, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING OCTOBER 14, 2004, VICE GEORGE W. HALEY.

EDWARD JAY GLEIMAN, OF MARYLAND, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING OCTOBER 14, 2004. (REAPPOINTMENT)

CONFIRMATION

Executive nomination confirmed by the Senate October 2, 1998:

THE JUDICIARY

SONIA SOTOMAYOR, OF NEW YORK, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT.