Public Law 106–414
106th Congress

An Act

Nov. 1, 2000
[H.R. 5164]

To amend title 49, United States Code, to require reports concerning defects in motor vehicles or tires or other motor vehicle equipment in foreign countries, and for other purposes.

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

Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act.
49 USC 30101 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act".

49 USC 30118 and note.

SEC. 2. PRESERVATION OF SECTION 30118.

The amendments made to section 30118 of title 49, United States Code, by section 364 of the Department of Transportation and Related Agencies Appropriations Act, 2001 are repealed and such section shall be effective as if such amending section had not been enacted.

Deadlines.

SEC. 3. REPORTING REQUIREMENTS.

(a) DEFECTS IN FOREIGN COUNTRIES.—Section 30166 of title 49, United States Code, is amended by adding at the end the following:

"(l) REPORTING OF DEFECTS IN MOTOR VEHICLES AND PRODUCTS IN FOREIGN COUNTRIES.—

"(1) REPORTING OF DEFECTS, MANUFACTURER DETERMINATION.—Not later than 5 working days after determining to conduct a safety recall or other safety campaign in a foreign country on a motor vehicle or motor vehicle equipment that is identical or substantially similar to a motor vehicle or motor vehicle equipment offered for sale in the United States, the manufacturer shall report the determination to the Secretary.

"(2) REPORTING OF DEFECTS, FOREIGN GOVERNMENT DETERMINATION.—Not later than 5 working days after receiving notification that the government of a foreign country has determined that a safety recall or other safety campaign must be conducted in the foreign country on a motor vehicle or motor vehicle equipment that is identical or substantially similar to a motor vehicle or motor vehicle equipment offered for sale in the United States, the manufacturer of the motor vehicle or motor vehicle equipment shall report the determination to the Secretary.

"(3) REPORTING REQUIREMENTS.—The Secretary shall prescribe the contents of the notification required by this subsection.".

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(b) EARLY WARNING REPORTING REQUIREMENTS.—Section 30166 of title 49, United States Code, is amended by adding at the end the following:

"(m) EARLY WARNING REPORTING REQUIREMENTS.—

"(1) RULEMAKING REQUIRED.—Not later than 120 days after the date of the enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, the Secretary shall initiate a rulemaking proceeding to establish early warning reporting requirements for manufacturers of motor vehicles and motor vehicle equipment to enhance the Secretary's ability to carry out the provisions of this chapter.

"(2) DEADLINE.—The Secretary shall issue a final rule under paragraph (1) not later than June 30, 2002.

"(3) REPORTING ELEMENTS.—

"(A) WARRANTY AND CLAIMS DATA.—As part of the final rule promulgated under paragraph (1), the Secretary shall require manufacturers of motor vehicles and motor vehicle equipment to report, periodically or upon request by the Secretary, information which is received by the manufacturer derived from foreign and domestic sources to the extent that such information may assist in the identification of defects related to motor vehicle safety in motor vehicles and motor vehicle equipment in the United States and which concerns—

"(i) data on claims submitted to the manufacturer for serious injuries (including death) and aggregate statistical data on property damage from alleged defects in a motor vehicle or in motor vehicle equipment; or

"(ii) customer satisfaction campaigns, consumer advisories, recalls, or other activity involving the repair or replacement of motor vehicles or items of motor vehicle equipment.

"(B) OTHER DATA.—As part of the final rule promulgated under paragraph (1), the Secretary may, to the extent that such information may assist in the identification of defects related to motor vehicle safety in motor vehicles and motor vehicle equipment in the United States, require manufacturers of motor vehicles or motor vehicle equipment to report, periodically or upon request of the Secretary, such information as the Secretary may request.

"(C) REPORTING OF POSSIBLE DEFECTS.—The manufacturer of a motor vehicle or motor vehicle equipment shall report to the Secretary, in such manner as the Secretary establishes by regulation, all incidents of which the manufacturer receives actual notice which involve fatalities or serious injuries which are alleged or proven to have been caused by a possible defect in such manufacturer's motor vehicle or motor vehicle equipment in the United States, or in a foreign country when the possible defect is in a motor vehicle or motor vehicle equipment that is identical or substantially similar to a motor vehicle or motor vehicle equipment offered for sale in the United States.

Rules and regulations.

"(4) HANDLING AND UTILIZATION OF REPORTING ELEMENTS.—

"(A) SECRETARY'S SPECIFICATIONS.—In requiring the reporting of any information requested by the Secretary

under this subsection, the Secretary shall specify in the final rule promulgated under paragraph (1)—

"(i) how such information will be reviewed and utilized to assist in the identification of defects related to motor vehicle safety;

"(ii) the systems and processes the Secretary will employ or establish to review and utilize such information; and

"(iii) the manner and form of reporting such information, including in electronic form.

"(B) INFORMATION IN POSSESSION OF MANUFACTURER.—The regulations promulgated by the Secretary under paragraph (1) may not require a manufacturer of a motor vehicle or motor vehicle equipment to maintain or submit records respecting information not in the possession of the manufacturer.

"(C) DISCLOSURE.—None of the information collected pursuant to the final rule promulgated under paragraph (1) shall be disclosed pursuant to section 30167(b) unless the Secretary determines the disclosure of such information will assist in carrying out sections 30117(b) and 30118 through 30121.

"(D) BURDENSOME REQUIREMENTS.—In promulgating the final rule under paragraph (1), the Secretary shall not impose requirements unduly burdensome to a manufacturer of a motor vehicle or motor vehicle equipment, taking into account the manufacturer's cost of complying with such requirements and the Secretary's ability to use the information sought in a meaningful manner to assist in the identification of defects related to motor vehicle safety.

Procedures.

"(5) PERIODIC REVIEW.—As part of the final rule promulgated pursuant to paragraph (1), the Secretary shall specify procedures for the periodic review and update of such rule.".

(c) SALE OR LEASE OF DEFECTIVE OR NONCOMPLIANT TIRE.—Section 30166 of title 49, United States Code, as amended by subsection (b), is amended by adding at the end the following:

"(n) SALE OR LEASE OF DEFECTIVE OR NONCOMPLIANT TIRE.—

Rules and regulations.

"(1) IN GENERAL.—The Secretary shall, within 90 days of the date of the enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, issue a final rule requiring any person who knowingly and willfully sells or leases for use on a motor vehicle a defective tire or a tire which is not compliant with an applicable tire safety standard with actual knowledge that the manufacturer of such tire has notified its dealers of such defect or noncompliance as required under section 30118(c) or as required by an order under section 30118(b) to report such sale or lease to the Secretary.

"(2) DEFECT OR NONCOMPLIANCE REMEDIED OR ORDER NOT IN EFFECT.—Regulations under paragraph (1) shall not require the reporting described in paragraph (1) where before delivery under a sale or lease of a tire—

"(A) the defect or noncompliance of the tire is remedied as required by section 30120; or

"(B) notification of the defect or noncompliance is required under section 30118(b) but enforcement of the

order is restrained or the order is set aside in a civil action to which section 30121(d) applies.".

(d) INSURANCE STUDY.—The Secretary of Transportation shall conduct a study to determine the feasibility and utility of obtaining aggregate information on a regular and periodic basis regarding claims made for private passenger automobile accidents from persons in the business of providing private passenger automobile insurance or of adjusting insurance claims for such automobiles. Not later than 120 days after the date of the enactment of this Act, the Secretary shall transmit the results of such study to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 4. REMEDIES WITHOUT CHARGE.

Section 30120(g)(1) of title 49, United States Code, is amended by—

(1) striking "8 calendar years" and inserting "10 calendar years"; and

(2) striking "3 calendar years" and inserting "5 calendar years".

SEC. 5. PENALTIES.

(a) CIVIL PENALTIES.—Section 30165(a) of title 49, United States Code, is amended to read as follows:

"(a) CIVIL PENALTIES.—

"(1) IN GENERAL.—A person that violates any of section 30112, 30115, 30117 through 30122, 30123(d), 30125(c), 30127, or 30141 through 30147, or a regulation prescribed thereunder, is liable to the United States Government for a civil penalty of not more than $5,000 for each violation. A separate violation occurs for each motor vehicle or item of motor vehicle equipment and for each failure or refusal to allow or perform an act required by any of those sections. The maximum penalty under this subsection for a related series of violations is $15,000,000.

"(2) SECTION 30166.—A person who violates section 30166 or a regulation prescribed under that section is liable to the United States Government for a civil penalty for failing or refusing to allow or perform an act required under that section or regulation. The maximum penalty under this paragraph is $5,000 per violation per day. The maximum penalty under this paragraph for a related series of daily violations is $15,000,000.".

(b) CRIMINAL PENALTIES.—

(1) IN GENERAL.—Subchapter IV of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

"§ 30170. Criminal Penalties

"(a) CRIMINAL LIABILITY FOR FALSIFYING OR WITHHOLDING INFORMATION.—

"(1) GENERAL RULE.—A person who violates section 1001 of title 18 with respect to the reporting requirements of section 30166, with the specific intention of misleading the Secretary with respect to motor vehicle or motor vehicle equipment safety related defects that have caused death or serious bodily injury to an individual (as defined in section 1365(g)(3) of title 18),

shall be subject to criminal penalties of a fine under title 18, or imprisoned for not more than 15 years, or both.

"(2) SAFE HARBOR TO ENCOURAGE REPORTING AND FOR WHISTLE BLOWERS.—

"(A) CORRECTION.—A person described in paragraph (1) shall not be subject to criminal penalties under this subsection if: (1) at the time of the violation, such person does not know that the violation would result in an accident causing death or serious bodily injury; and (2) the person corrects any improper reports or failure to report within a reasonable time.

Rules and regulations.

Deadline.

"(B) REASONABLE TIME AND SUFFICIENCY OF CORRECTION.—The Secretary shall establish by regulation what constitutes a reasonable time for the purposes of subparagraph (A) and what manner of correction is sufficient for purposes of subparagraph (A). The Secretary shall issue a final rule under this subparagraph within 90 days of the date of the enactment of this section.

"(C) EFFECTIVE DATE.—Subsection (a) shall not take effect before the final rule under subparagraph (B) takes effect.

"(b) COORDINATION WITH DEPARTMENT OF JUSTICE.—The Attorney General may bring an action, or initiate grand jury proceedings, for a violation of subsection (a) only at the request of the Secretary of Transportation.".

(2) CLERICAL AMENDMENT.—The subchapter analysis for subchapter IV of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

"30170. Criminal penalties.".

SEC. 6. ACCELERATION OF MANUFACTURER REMEDY PROGRAM.

(a) REMEDY PROGRAM.—Section 30120(c) of title 49, United States Code, is amended by inserting at the end thereof the following:

"(3) If the Secretary determines that a manufacturer's remedy program is not likely to be capable of completion within a reasonable time, the Secretary may require the manufacturer to accelerate the remedy program if the Secretary finds—

"(A) that there is a risk of serious injury or death if the remedy program is not accelerated; and

"(B) that acceleration of the remedy program can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both. The Secretary may prescribe regulations to carry out this paragraph.".

(b) REIMBURSEMENT PRIOR TO RECALL.—Section 30120(d) of title 49, United States Code, is amended by inserting at the end thereof the following: "A manufacturer's remedy program shall include a plan for reimbursing an owner or purchaser who incurred the cost of the remedy within a reasonable time in advance of the manufacturer's notification under subsection (b) or (c) of section 30118. The Secretary may prescribe regulations establishing what constitutes a reasonable time for purposes of the preceding sentence and other reasonable conditions for the reimbursement plan.".

SEC. 7. SALES OF REPLACED TIRES.

Section 30120(d) of title 49, United States Code, is amended by adding at the end the following: "In the case of a remedy program involving the replacement of tires, the manufacturer shall include a plan addressing how to prevent, to the extent reasonably within the control of the manufacturer, replaced tires from being resold for installation on a motor vehicle, and how to limit, to the extent reasonably within the control of the manufacturer, the disposal of replaced tires in landfills, particularly through shredding, crumbling, recycling, recovery, and other alternative beneficial non-vehicular uses. The manufacturer shall include information about the implementation of such plan with each quarterly report to the Secretary regarding the progress of any notification or remedy campaigns.".

SEC. 8. SALES OF REPLACED EQUIPMENT.

Section 30120 of title 49, United States Code, is amended by adding at the end the following:

"(j) PROHIBITION ON SALES OF REPLACED EQUIPMENT.—No person may sell or lease any motor vehicle equipment (including a tire), for installation on a motor vehicle, that is the subject of a decision under section 30118(b) or a notice required under section 30118(c) in a condition that it may be reasonably used for its original purpose unless—

"(1) the defect or noncompliance is remedied as required by this section before delivery under the sale or lease; or

"(2) notification of the defect or noncompliance is required under section 30118(b) but enforcement of the order is set aside in a civil action to which section 30121(d) applies.".

SEC. 9. CERTIFICATION LABEL.

Section 30115 of title 49, United States Code, is amended by inserting "(a) IN GENERAL.—" before "A manufacturer" and by adding at the end the following:

"(b) CERTIFICATION LABEL.—In the case of the certification label affixed by an intermediate or final stage manufacturer of a motor vehicle built in more than 1 stage, each intermediate or final stage manufacturer shall certify with respect to each applicable Federal motor vehicle safety standard—

"(1) that it has complied with the specifications set forth in the compliance documentation provided by the incomplete motor vehicle manufacturer in accordance with regulations prescribed by the Secretary; or

"(2) that it has elected to assume responsibility for compliance with that standard.

If the intermediate or final stage manufacturer elects to assume responsibility for compliance with the standard covered by the documentation provided by an incomplete motor vehicle manufacturer, the intermediate or final stage manufacturer shall notify the incomplete motor vehicle manufacturer in writing within a reasonable time of affixing the certification label. A violation of this subsection shall not be subject to a civil penalty under section 30165.".

SEC. 10. ENDURANCE AND RESISTANCE STANDARDS FOR TIRES.

The Secretary of Transportation shall conduct a rulemaking to revise and update the tire standards published at 49 CFR 571.109 Rules and regulations.

Deadline.

and 49 CFR 571.119. The Secretary shall complete the rulemaking under this section not later than June 1, 2002.

49 USC 30123 note.
Deadlines.
Rules and regulations.

SEC. 11. IMPROVED TIRE INFORMATION.

(a) TIRE LABELING.—Within 30 days after the date of the enactment of this Act, the Secretary of Transportation shall initiate a rulemaking proceeding to improve the labeling of tires required by section 30123 of title 49, United States Code to assist consumers in identifying tires that may be the subject of a decision under section 30118(b) or a notice required under section 30118(c). The Secretary shall complete the rulemaking not later than June 1, 2002.

(b) INFLATION LEVELS AND LOAD LIMITS.—In the rulemaking initiated under subsection (a), the Secretary may take whatever additional action is appropriate to ensure that the public is aware of the importance of observing motor vehicle tire load limits and maintaining proper tire inflation levels for the safe operation of a motor vehicle. Such additional action may include a requirement that the manufacturer of motor vehicles provide the purchasers of the motor vehicles information on appropriate tire inflation levels and load limits if the Secretary determines that requiring such manufacturers to provide such information is the most appropriate way such information can be provided.

SEC. 12. ROLLOVER TESTS.

Section 30117 of title 49, United States Code, is amended by adding at the end the following:

"(c) ROLLOVER TESTS.—

Deadline.

"(1) DEVELOPMENT.—Not later than 2 years from the date of the enactment of this subsection, the Secretary shall—

"(A) develop a dynamic test on rollovers by motor vehicles for the purposes of a consumer information program; and

"(B) carry out a program of conducting such tests.

Rules and regulations.

"(2) TEST RESULTS.—As the Secretary develops a test under paragraph (1)(A), the Secretary shall conduct a rulemaking to determine how best to disseminate test results to the public.

Applicability.

"(3) MOTOR VEHICLES COVERED.—This subsection applies to motor vehicles, including passenger cars, multipurpose passenger vehicles, and trucks, with a gross vehicle weight rating of 10,000 pounds or less. A motor vehicle designed to provide temporary residential accommodations is not covered.".

Deadlines.
Rules and regulations.
49 USC 30123 note.

SEC. 13. TIRE PRESSURE WARNING.

Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall complete a rulemaking for a regulation to require a warning system in new motor vehicles to indicate to the operator when a tire is significantly under inflated. Such requirement shall become effective not later than 2 years after the date of the completion of such rulemaking.

Effective date.

Deadlines.
49 USC 30127 note.
Rules and regulations.

SEC. 14. IMPROVING THE SAFETY OF CHILD RESTRAINTS.

(a) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Transportation shall initiate a rulemaking for the purpose of improving the safety of child restraints, including minimizing head injuries from side impact collisions.

(b) ELEMENTS FOR CONSIDERATION.—In the rulemaking required by subsection (a), the Secretary shall consider—

(1) whether to require more comprehensive tests for child restraints than the current Federal motor vehicle safety standards requires, including the use of dynamic tests that—

(A) replicate an array of crash conditions, such as side-impact crashes and rear-impact crashes; and

(B) reflect the designs of passenger motor vehicles as of the date of the enactment of this Act;

(2) whether to require the use of anthropomorphic test devices that—

(A) represent a greater range of sizes of children including the need to require the use of an anthropomorphic test device that is representative of a ten-year-old child; and

(B) are Hybrid III anthropomorphic test devices;

(3) whether to require improved protection from head injuries in side-impact and rear-impact crashes;

(4) how to provide consumer information on the physical compatibility of child restraints and vehicle seats on a model-by-model basis;

(5) whether to prescribe clearer and simpler labels and instructions required to be placed on child restraints;

(6) whether to amend Federal Motor Vehicle Safety Standard No. 213 (49 CFR 571.213) to cover restraints for children weighing up to 80 pounds;

(7) whether to establish booster seat performance and structural integrity requirements to be dynamically tested in 3-point lap and shoulder belts;

(8) whether to apply scaled injury criteria performance levels, including neck injury, developed for Federal Motor Vehicle Safety Standard No. 208 to child restraints and booster seats covered by in Federal Motor Vehicle Safety Standard No. 213; and

(9) whether to include child restraint in each vehicle crash tested under the New Car Assessment Program.

(c) REPORT TO CONGRESS.—If the Secretary does not incorporate any element described in subsection (b) in the final rule, the Secretary shall explain, in a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Commerce submitted within 30 days after issuing the final rule, specifically why the Secretary did not incorporate any such element in the final rule.

(d) COMPLETION.—Notwithstanding any other provision of law, the Secretary shall complete the rulemaking required by subsection (a) not later than 24 months after the date of the enactment of this Act.

(e) CHILD RESTRAINT DEFINED.—In this section, the term "child restraint" has the meaning given the term "Child restraint system" in section 571.213 of title 49, Code of Federal Regulations (as in effect on the date of the enactment of this Act).

(f) FUNDING.—For each fiscal year, of the funds made available to the Secretary for activities relating to safety, not less than $750,000 shall be made available to carry out crash testing of child restraints.

(g) CHILD RESTRAINT SAFETY RATINGS PROGRAM.—No later than 12 months after the date of the enactment of this Act, the Secretary Notice.

of Transportation shall issue a notice of proposed rulemaking to establish a child restraint safety rating consumer information program to provide practicable, readily understandable, and timely information to consumers for use in making informed decisions in the purchase of child restraints. No later than 24 months after the date of the enactment of this Act the Secretary shall issue a final rule establishing a child restraint safety rating program and providing other consumer information which the Secretary determines would be useful consumers who purchase child restraint systems.

Rules and regulations.

(h) BOOSTER SEAT STUDY.—In addition to consideration of booster seat performance and structural integrity contained in subsection (b)(7), not later than 12 months after the date of the enactment of this Act, the Secretary of Transportation shall initiate and complete a study, taking into account the views of the public, on the use and effectiveness of automobile booster seats for children, compiling information on the advantages and disadvantages of using booster seats and determining the benefits, if any, to children from use of booster with lap and shoulder belts compared to children using lap and shoulder belts alone, and submit a report on the results of that study to the Congress.

(i) BOOSTER SEAT EDUCATION PROGRAM.—The Secretary of Transportation within 1 year after the date of the enactment of this Act shall develop 5 year strategic plan to reduce deaths and injuries caused by failure to use the appropriate booster seat in the 4 to 8 year old age group by 25 percent.

Deadlines. 49 USC 30111 note.

SEC. 15. IMPROVING CRITERIA USED IN A RECALL.

(a) REVIEW OF STANDARDS AND CRITERIA USED IN OPENING A DEFECT OR NONCOMPLIANCE INVESTIGATION.—The Secretary shall, not later than 30 days after the date of the enactment of this Act, undertake a comprehensive review of all standards, criteria, procedures, and methods, including data management and analysis used by the National Highway Traffic Safety Administration in determining whether to open a defect or noncompliance investigation pursuant to subchapter II or IV of chapter 301 of title 49, United States Code, and shall undertake such steps as may be necessary to update and improve such standards, criteria, procedures, or methods, including data management and analysis.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report describing the Secretary's findings and actions under subsection (a).

Deadline. 49 USC 30115 note.

SEC. 16. FOLLOW-UP REPORT.

One year after the date of the enactment of this Act, the Secretary of Transportation shall report to the Congress on the implementation of the amendments made by this Act and any recommendations for additional amendments for consumer safety.

SEC. 17. AUTHORIZATION OF APPROPRIATIONS.

In addition to any sums authorized to be appropriated by section 30104 or 32102 of title 49, United States Code, there is authorized to be appropriated to the Secretary of Transportation for the National Highway Traffic Safety Administration for fiscal year 2001 $9,100,000 to carry out this Act and the amendments

made by this Act. Such funds shall not be available for the general administrative expenses of the Secretary or the Administration.

Approved November 1, 2000.

LEGISLATIVE HISTORY—H.R. 5164 (S. 3059):

HOUSE REPORTS: No. 106–954 (Comm. on Commerce).
SENATE REPORTS: No. 106–423 accompanying S. 3059 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 146 (2000):
Oct. 10, considered and passed House.
Oct. 11, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 36 (2000):
Nov. 1, Presidential statement.