Public Law 98-547
98th Congress

An Act

Oct. 25, 1984
[H.R. 6257]

To amend the Motor Vehicle and Information Cost Savings Act to impede those motor vehicle thefts which occur for purposes of dismantling the vehicles and reselling the major parts by requiring passenger motor vehicles and major replacement parts to have identifying numbers or symbols, and for other purposes.

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

Motor Vehicle Theft Law Enforcement Act of 1984.

SHORT TITLE; TABLE OF CONTENTS

15 USC 1901 note.

SECTION 1. (a) This Act may be cited as the "Motor Vehicle Theft Law Enforcement Act of 1984".

(b) The table of contents for this Act follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.

TITLE I—IMPROVED IDENTIFICATION FOR PASSENGER MOTOR VEHICLES AND PARTS

Sec. 101. Motor vehicle theft prevention standard.
Sec. 102. Report regarding theft prevention systems.

TITLE II—ANTIFENCING MEASURES

Sec. 201. Motor vehicle identification numbers; forfeitures.
Sec. 202. Definition of securities.
Sec. 203. Sale or receipt of stolen motor vehicles.
Sec. 204. Trafficking in certain motor vehicles, motor vehicle parts, or motor vehicle components.
Sec. 205. Definition of racketeering activity.

TITLE III—IMPORTATION AND EXPORTATION MEASURES

Sec. 301. Amendment to title 18, United States Code.
Sec. 302. Amendment to Tariff Act of 1930.

PURPOSE

15 USC 2021 note.

SEC. 2. It is the purpose of this Act—

(1) to provide for the identification of certain motor vehicles and their major replacement parts to impede motor vehicle theft;

(2) to augment the Federal criminal penalties imposed upon persons trafficking in stolen motor vehicles;

(3) to encourage decreases in premiums charged consumers for motor vehicle theft insurance; and

(4) to reduce opportunities for exporting or importing stolen motor vehicles and off-highway mobile equipment.

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TITLE I—IMPROVED IDENTIFICATION FOR PASSENGER MOTOR VEHICLES AND PARTS

MOTOR VEHICLE THEFT PREVENTION STANDARD

SEC. 101. (a) The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 and following) is amended by adding at the end the following new title:

"TITLE VI—THEFT PREVENTION

"DEFINITIONS

"SEC. 601. For purposes of this title: 15 USC 2021.

"(1) The term 'passenger motor vehicle' does not include any multipurpose passenger vehicle (including any vehicle commonly known as a 'passenger van').

"(2) The term 'line' means a name which a manufacturer applies to a group of motor vehicle models of the same make which have the same body or chassis, or otherwise are similar in construction or design.

"(3) The term 'existing line' means any line introduced into commerce before the beginning of the 2-year period specified in section 603(a)(1)(A).

"(4) The term 'new line' means any line introduced into commerce on or after the beginning of the 2-year period specified in section 603(a)(1)(A).

"(5) The term 'first purchaser' means first purchaser for purposes other than resale.

"(6) The term 'covered major part' means any major part selected in accordance with sections 602(d)(1)(B) and 603 for coverage by the vehicle theft prevention standard issued under section 602.

"(7) The term 'major part' means—

"(A) the engine;

"(B) the transmission;

"(C) each door allowing entrance or egress to the passenger compartment;

"(D) the hood;

"(E) the grille;

"(F) each bumper;

"(G) each front fender;

"(H) the deck lid, tailgate, or hatchback (whichever is present);

"(I) rear quarter panels;

"(J) the trunk floor pan;

"(K) the frame or, in the case of a unitized body, the supporting structure which serves as the frame; and

"(L) any other part of a passenger motor vehicle which the Secretary, by rule, determines is comparable in design or function to any of the parts listed in subparagraphs (A) through (K).

"(8) The term 'major replacement part' means any major part—

"(A) which is not installed in or on a motor vehicle at the time of its delivery to the first purchaser, and

"(B) the equitable or legal title to which has not been transferred to any first purchaser.

"(9) The term 'model year' has the meaning given such term under section 501(12) of this Act.

"(10) The term 'vehicle theft prevention standard' means a minimum performance standard for the identification of—

"(A) major parts of new motor vehicles, and

"(B) major replacement parts,

by inscribing or affixing numbers or symbols to such parts.

"THEFT PREVENTION STANDARD

Regulations.
15 USC 2022.

"SEC. 602. (a) The Secretary shall by rule promulgate, in accordance with this section, a vehicle theft prevention standard which conforms to the requirements of this title and which applies with respect to—

"(1) the covered major parts which are installed by manufacturers into passenger motor vehicles in lines designated under section 603 as high theft lines; and

"(2) the major replacement parts for the major parts described in paragraph (1).

"(b) The standard under this section shall be practicable, and shall provide relevant objective criteria.

"(c)(1) Not later than 3 months after the date of the enactment of this title, the Secretary shall prescribe and publish a proposed vehicle theft prevention standard.

"(2) As soon as practicable after the 30th day following the publication of the proposed standard under paragraph (1), but not later than 6 months after such date of enactment, the Secretary shall promulgate a final rule establishing such a standard.

"(3) The Secretary may, for good cause, extend the 3-month and 6-month periods under paragraphs (1) and (2) if the Secretary publishes the reasons therefor. Either such period may not, in the aggregate, be extended by more than 5 months.

"(4) Such standard shall take effect not earlier than 6 months after the date such final rule is prescribed, except that the Secretary may prescribe an earlier effective date if the Secretary—

"(A) finds, for good cause shown, that the earlier date is in the public interest, and

"(B) publishes the reasons for such finding.

"(5) The standard may apply only with respect to—

"(A) major parts which are installed by the motor vehicle manufacturer in any passenger motor vehicle which has a model year designation later than the calendar year in which such standard takes effect, and

"(B) major replacement parts manufactured after such standard takes effect.

"(d)(1) In the case of major parts installed by the motor vehicle manufacturer, the standard under this section may not require—

"(A) any part to have more than a single identification, and

"(B) any motor vehicle to have identification of more than 14 of its major parts.

"(2) In the case of major replacement parts, the standard under this section may not require—

"(A) identification of any part which is not designed as a replacement for a major part required to be identified under such standard, and

"(B) the inscribing or affixing of any identification other than a symbol identifying the manufacturer and a common symbol identifying the part as a major replacement part.

"(e) Nothing in this title shall be construed to grant authority to require any person to keep records or make reports, except as expressly provided in sections 603(c), 605(b), 606(a), and 612.

"DESIGNATION OF HIGH THEFT VEHICLE LINES AND PARTS

"SEC. 603. (a)(1) For purposes of the standard under section 602, the following motor vehicle lines are high theft lines: 15 USC 2023.

"(A) passenger motor vehicles of any line which is determined under subsection (b) to have had a new passenger motor vehicle theft rate in the 2 calendar years immediately preceding the year in which the final standard is promulgated which exceeds the median theft rate for all new passenger motor vehicle thefts in such 2-year period;

"(B) passenger motor vehicles of any line initially introduced into commerce in the United States at any time after the beginning of the 2-year period specified in subparagraph (A) which is determined under paragraph (2) to be likely to have a theft rate exceeding such median theft rate; and

"(C) passenger motor vehicles of any line which is below the median theft rate (in the case of existing lines) or which is likely to be below the median theft rate (in the case of new lines) if the major parts contained in such vehicles are determined under paragraph (2) to be interchangeable with the majority of the major parts which are subject to the standard and which are contained in the motor vehicles of a line subject to the standard pursuant to subparagraph (A) or (B); except that such standard shall not apply to such major parts of any line specified by this paragraph if all the passenger motor vehicles of lines—

"(i) which are or are likely to be below the median theft rate, and

"(ii) which contain parts which are interchangeable with the major parts of the line involved,

account (in the case of existing lines) or the Secretary determines are likely to account (in the case of new lines) for more than 90 percent of the total annual production of all lines of that manufacturer which contain those interchangeable parts.

"(2) The specific lines, and the major parts of the vehicles within such lines, which are to be subject to the standard may be selected by agreement between that manufacturer and the Secretary. If the manufacturer and the Secretary disagree as to such selection, the Secretary shall select such lines and parts, after notice to the manufacturer and opportunity for written comment, and subject to the confidentiality requirements of this title.

"(3) Notwithstanding paragraph (1), of those passenger motor vehicle lines initially introduced by a manufacturer into commerce in the United States before the effective date of the standard, no more than 14 of the lines of any manufacturer shall be selected as high theft lines under paragraph (1) (A) and (B). Any such selection shall be made under paragraph (2) within one year after the date of the enactment of the Motor Vehicle Theft Law Enforcement Act of 1984. *Ante*, p. 2754.

"(4) The Secretary shall prescribe reasonable procedures designed to assure that, to the maximum extent practicable, any selection

under paragraph (2) or (3) is made at least 6 months before the first applicable model year beginning after such selection.

"(5) A manufacturer shall not be required to begin to comply with the standard pursuant to any selection made under paragraph (2) or (3) for a model year beginning earlier than 6 months after the date of selection.

"(b)(1) For purposes of subsection (a), the theft rate for passenger motor vehicles of a line shall be determined by a fraction, the numerator of which is the number of new passenger motor vehicle thefts for that line during the 2 calendar years specified in subsection (a)(1)(A), and the denominator of which is the sum of the respective production volumes of all passenger motor vehicles of that line (as reported to the Environmental Protection Agency under title V of this Act) which are of the 2 model years having the same model-year designations as the 2 calendar years specified in subsection (a)(1)(A) and which are distributed for sale in commerce within the United States.

15 USC 2001.

"(2) For purposes of subsection (a), the median theft rate for all new passenger motor vehicle thefts during such 2-year period is that theft rate midway between the highest and the lowest theft rates determined under paragraph (1). If there is an even number of theft rates determined under paragraph (1), the median theft rate is the arithmetic average of the two adjoining theft rates midway between the highest and the lowest of such theft rates.

Public availability.

"(3) Immediately upon enactment of this title, and periodically thereafter, the Secretary, in consultation with the Director of the Federal Bureau of Investigation, shall obtain from the most reliable source or sources accurate and timely theft and recovery data and publish such data for review and comment. To the greatest extent possible, the Secretary shall utilize theft data reported by Federal, State, or local police. After such publication and opportunity for comment, the Secretary shall utilize the theft data to determine the median theft rate under this subsection. The Secretary and such Director shall take such actions as may be necessary to improve the accuracy, reliability, and timeliness of such data, including ensuring that vehicles represented as stolen are in fact stolen.

"(4) In calculating the median theft rate, the Secretary shall take into account the theft rate of lines which are exempted by reason of the 14-line limitation in subsection (a)(3).

"(5) As used in this section, the term 'new passenger motor vehicle thefts', when used with respect to any calendar year, refers to those thefts in the United States in such year which are of passenger motor vehicles with the same model-year designation as that calendar year.

"(c) The Secretary shall, by rule, require each manufacturer to provide information necessary to select pursuant to subsection (a)(2) the high theft lines and the major parts to be subject to the standard.

"(d) Except as provided in section 605, the Secretary may not render the standard inapplicable to any line which at any time has been subject to the standard.

"COST LIMITATION

15 USC 2024.

"SEC. 604. (a) The standard under section 602 may not—

"(1) impose costs upon any manufacturer of motor vehicles to comply with such standard in excess of $15 per motor vehicle, or

"(2) impose costs upon any manufacturer of major replacement parts to comply with such standard in excess of such reasonable lesser amount per major replacement part as the Secretary specifies in such standard.

"(b) In the case of any manufacturer engaged in identifying engines or transmissions on the effective date of this title in a manner which substantially complies with the requirements of the theft prevention standard promulgated under section 602—

"(1) the costs of identifying engines and transmissions shall not be taken into account in calculating such manufacturer's costs under subsection (a); and

"(2) the manufacturer shall not be required, pursuant to the standard or any subsequent modification, to conform to any identification system for engines and transmissions which imposes greater costs on the manufacturer than are incurred under the identification system used by the manufacturer on such effective date.

"(c)(1) At the beginning of each calendar year commencing on or after January 1, 1985, as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary and publish in the Federal Register the percentage difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Effective for model years beginning in such calendar year, the amounts specified under subsections (a) (1) and (2) shall be adjusted by such percentage difference. Federal Register, publication.

"(2) For purposes of paragraph (1)—

"(A) The term 'base period' means calendar year 1984.

"(B) The term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"EXEMPTION FOR VEHICLES EQUIPPED WITH ANTITHEFT DEVICES

"SEC. 605. (a)(1) Any manufacturer may petition the Secretary for an exemption from the application of any of the requirements of the vehicle theft prevention standard under section 602 for any line or lines of passenger motor vehicles which are equipped as standard equipment with an antitheft device which the Secretary determines is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the requirements of such standard. 15 USC 2025.

"(2) For the initial model year to which such standard applies, the Secretary may not grant an exemption for more than 2 lines of any manufacturer. For each subsequent model year, the Secretary may grant exemption for not more than 2 additional lines of any manufacturer, and such exemption shall not affect the validity of the exemption of any line previously exempted under this paragraph.

"(3) For purposes of paragraph (1), the term 'standard equipment' means equipment which is installed in a vehicle at the time it is delivered from the manufacturer and which is not an accessory or other item which the first purchaser customarily has the option to have installed.

"(b) Any such petition shall be filed with the Secretary not later than 8 months before the commencement of production for the first model year covered by the petition. Such petition shall include—

"(1) a detailed description of such device,

"(2) the reasons for the manufacturer's conclusion that such device will be effective in reducing and deterring theft of motor vehicles, and

"(3) such additional information as the Secretary determines may be reasonably required to make the determination specified in subsection (a)(1).

"(c) Such determination shall be made, based upon substantial evidence, within 120 days after the date of filing of such petition. The Secretary may approve such petition in whole or in part. If the Secretary fails to make such determination within such time period, the petition shall be considered approved, and the manufacturer shall be exempt from the application of such standard for the subsequent model year.

"(d) Nothing in this section shall preclude the Secretary from rescinding any such exemption for any model year after the model year in which such rescission occurs if the Secretary determines that such device has not been as effective in reducing and deterring motor vehicle theft as compliance with the requirements of the standard under section 602, except that such rescission shall not be effective until at least 6 months after the manufacturer receives written notice from the Secretary of such rescission.

"(e) As used in this section, the term 'antitheft device' means a device to reduce or deter theft which is in addition to the theft-deterrent devices required by Federal motor vehicle safety standard numbered 114 (49 CFR 571.114) which the manufacturer believes will be effective in reducing or deterring theft of motor vehicles, and which does not utilize any signaling device which is reserved by a provision of any State law for use on police, emergency, or official vehicles, or on school buses.

"DETERMINATION OF COMPLIANCE OF MANUFACTURER

15 USC 2026.

"SEC. 606. (a) Every manufacturer of any motor vehicle any part of which is subject to the standard under section 602, and any manufacturer of major replacement parts subject to such standard, shall—

"(1) establish and maintain such records, make such reports, and provide such items and information as the Secretary may reasonably require to enable the Secretary to determine whether such manufacturer has acted or is acting in compliance with this title and such standard, and

"(2) upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect (A) vehicles and major parts which are subject to such standard, and (B) appropriate books, papers, records, and documents relevant to determining whether such manufacturer has acted or is acting in compliance with this title and any motor vehicle theft prevention standard promulgated pursuant to this title; such manufacturer shall make available all such items and information in accordance with such reasonable rules as the Secretary may prescribe.

"(b) For purposes of enforcing this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, may enter and inspect any facility in which motor vehicles containing major parts subject to such standard, or major replacement parts subject to such standard, are manufactured, held for introduc-

tion into interstate commerce, or are held for sale after such introduction. Each such inspection shall be conducted at reasonable times and in a reasonable manner and shall be commenced and completed with reasonable promptness.

"(c)(1) Every manufacturer of a motor vehicle subject to the standard promulgated under section 602, and every manufacturer of any major replacement part subject to such standard, shall furnish at the time of delivery of such vehicle or part a certification that such vehicle or replacement part conforms to the applicable motor vehicle theft prevention standard. Such certification shall accompany such vehicle or replacement part until delivery to the first purchaser. The Secretary may issue rules prescribing the manner and form of such certification.

"(2) Paragraph (1) shall not apply to any motor vehicle or major replacement part—

"(A) which is intended solely for export,

"(B) which is so labeled or tagged on the vehicle or replacement part itself and on the outside of the container, if any, until exported, and

"(C) which is exported.

"(d) If a manufacturer obtains knowledge that (1) the identification applied, to conform to the standard under section 602, to any major part installed by the manufacturer in a motor vehicle during its assembly, or to any major replacement part manufactured by the manufacturer, contains an error, and (2) such motor vehicle or major replacement part has been distributed in interstate commerce, the manufacturer shall furnish notification of such error to the Secretary.

"PROHIBITED ACTS

"SEC. 607. (a) No person shall— 15 USC 2027.

"(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States—

"(A) any motor vehicle subject to the standard under section 602, or

"(B) any major replacement part subject to such standard,

which is manufactured on or after the date the standard under section 602 takes effect under this title for such vehicle or major replacement part unless it is in conformity with such standard;

"(2) fail to comply with any rule prescribed by the Secretary under this title;

"(3) fail to keep specified records or refuse access to or copying of records, or fail to make reports or provide items or information, or fail or refuse to permit entry or inspection, as required by this title; or

"(4) fail to—

"(A) furnish certification required by section 606(c), or

"(B) issue a certification required by section 606(c) if such person knows, or in the exercise of due care has reason to know, that such certification is false or misleading in a material respect.

"(b) Subsection (a)(1) shall not apply to any person who establishes that he did not have reason to know in the exercise of due care that the vehicle or major replacement part is not in conformity with an applicable theft prevention standard.

"ENFORCEMENT PROVISIONS

15 USC 2028.

"SEC. 608. (a)(1) Whoever violates section 607(a) may be assessed a civil penalty of not to exceed $1,000 for each violation. The failure of more than one part of a single motor vehicle to conform to an applicable motor vehicle theft prevention standard shall constitute only a single violation.

Courts, U.S.

"(2) Any such penalty shall be assessed by the Secretary and collected in a civil action brought by the Attorney General of the United States. Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered.

"(3) The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

"(4) The maximum civil penalty shall not exceed $250,000 for any related series of violations.

"(b)(1) Upon petition by the Attorney General on behalf of the United States, the United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or to restrain the sale, offer for sale, or the introduction or delivery for introduction in interstate commerce, or the importation into the United States, of—

18 USC app.

"(A) any passenger motor vehicle containing a major part, or

"(B) any major replacement part,

which is subject to the standard under section 602 and is determined, before the sale of such vehicle or such major replacement part to a first purchaser, not to conform to such standard. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford the person an opportunity to present his views, and except in the case of a knowing and willful violation, shall afford the person reasonable opportunity to achieve compliance. The failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

"(2) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this subsection, which violation also constitutes a violation of this title, trial shall be by the court, or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

"(3) Actions under paragraph (1) and under subsection (a) may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district in which the defendant is an inhabitant or wherever the defendant may be found.

"(4) In any actions brought under paragraph (1) and under subsection (a), subpenas for witnesses who are required to attend a United States district court may run into any other district.

"CONFIDENTIALITY OF INFORMATION

"SEC. 609. All information reported to, or otherwise obtained by, the Secretary or the Secretary's representative under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or in section 552(b)(4) of title 5, United States Code, shall be considered confidential for the purpose of the applicable section of this title, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title (other than a proceeding under section 603(a) (2) or (3) of this title). Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under the Secretary's control from any committee of the Congress. 15 USC 2029.

"JUDICIAL REVIEW

"SEC. 610. Any person who may be adversely affected by any provision of any standard or other rule under this title may obtain judicial review of such standard or rule in accordance with section 504. Nothing in this section shall preclude the availability to any person of other remedies provided by law in the case of any standard, rule, or other action under this title. 15 USC 2030.

"COORDINATION WITH STATE AND LOCAL LAW

"SEC. 611. Whenever a vehicle theft prevention standard established under section 602 is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any motor vehicle, or major replacement part, any vehicle theft prevention standard which is not identical to such vehicle theft prevention standard. 15 USC 2031.

"INSURANCE REPORTS AND INFORMATION

"SEC. 612. (a)(1) In order to— 15 USC 2032.

"(A) prevent or discourage the theft of motor vehicles, particularly those vehicles which are stolen for the removal of certain parts,

"(B) prevent or discourage the sale and distribution in interstate commerce of used parts that are removed from such vehicles, and

"(C) help reduce the cost to consumers of comprehensive insurance coverage for motor vehicles,

each insurer of such coverage (or their designated agents) shall provide to the Secretary the information required by this subsection. Such information shall be provided annually, beginning 2 years after the date of the enactment of this section.

"(2) Such information shall include—

"(A) the thefts and recoveries (in whole or in part) of motor vehicles;

"(B) the number of vehicles which have been recovered intact;

"(C) the rating rules and plans, such as loss data and rating characteristics, used by such insurers to establish premiums for comprehensive insurance coverage for motor vehicles, including the basis for such premiums, and premium penalties for motor vehicles considered by such insurers as more likely to be stolen;

"(D) the actions taken by such insurers to reduce such premiums, including changes in rate levels for automobile comprehensive coverages, due to a reduction in thefts of motor vehicles;

"(E) the actions taken by such insurers to assist in deterring or reducing thefts of motor vehicles; and

"(F) such other information as the Secretary may require to administer this title and to make the report and findings required by this title.

The information on thefts and recoveries of such vehicles shall include an explanation about how such information is obtained by the insurer, the accuracy and timeliness of such information, and the use made of such information, including the extent to which such information is reported, including the frequency of such reporting, to national, public, and private entities, such as the Federal Bureau of Investigation and State and local police.

"(3) For purposes of this section, the term 'insurer' includes any person which has a fleet of 20 or more motor vehicles (other than any governmental entity) which are used primarily for rental or lease and which are not covered by theft insurance policies issued by insurers of passenger motor vehicles.

"(4) The Secretary shall exempt from the requirements of this section, for one or more years, any insurer if the Secretary determines that such insurer should be exempted because—

"(A) the cost of preparing and furnishing reports and information is excessive in relation to the size of the business of the insurer, and

"(B) such reports and information will not significantly contribute to carrying out the purposes of this title.

Regulations.

"(5)(A) Subject to subparagraph (B), the Secretary shall, by rule, exempt from the requirements of this section small insurers if the Secretary finds that such exemption will not significantly affect the validity or usefulness of the information collected and compiled under this section, nationally or State-by-State.

"(B) The Secretary may not, under subparagraph (A), exempt any person who is considered an insurer under this section solely by reason of paragraph (3).

"(C)(i) Subject to clause (ii), for purposes of this paragraph, the term 'small insurer' means any insurer whose premiums for motor vehicle insurance issued directly or through any affiliate, including any pooling arrangement established under State law or regulation for the issuance of motor vehicle insurance, account for less than one percent of the total premiums for all forms of motor vehicle insurance issued by insurers within the United States. The regulations under this paragraph shall provide that eligibility as a small insurer shall be based on the most recent calendar year for which adequate data is available, and that, once attained, such eligibility shall continue without further demonstration of qualification for one or more years, as the Secretary considers appropriate.

"(ii) For purposes of the reporting requirements under this section for an insurer's operations within any State, the term 'small insurer' shall not include any insurer whose premiums for motor vehicle insurance issued directly or through any affiliate, including any pooling arrangement described in clause (i), account for 10 percent or more of the total premiums for all forms of motor vehicle insurance issued by insurers within such State.

Public information.

"(b) The information obtained by the Secretary under this section shall be periodically compiled and (subject to section 552 of title 5,

United States Code) published by the Secretary in a form that will be helpful to the public, including Federal, State, and local police, and Congress.

"(c) The Secretary shall consult with such State and insurance regulatory agencies and other agencies and associations, both public and private, as the Secretary deems appropriate.

"(d) If, in paying claims pursuant to adjustment or negotiations between the insurer and the insured for any stolen motor vehicle, any insurer reduces such payment by the amount of the value, salvage or otherwise, of any part subject to the standard which is recovered and such reduction is not made at the express election of the insured, the insurer shall promptly report such action in writing to the Secretary.

"(e) The information required by this section shall be furnished in such form as the Secretary shall prescribe by regulation or otherwise.

"(f) For purposes of this section, the term 'motor vehicle' includes trucks, multipurpose passenger vehicles, and motorcycles.

"VOLUNTARY VEHICLE IDENTIFICATION STANDARDS

"SEC. 613. (a) The Secretary may, by rule, promulgate a vehicle theft prevention standard under which any person may elect to inscribe or affix an identifying number or symbol on major parts of any motor vehicle manufactured or owned by such person for purposes of section 511 of title 18, United States Code and related provisions. Such standard may include provisions for registration of such identification with the Secretary or any person designated by the Secretary. 15 USC 2033.

"(b) The standard under this section shall be practicable, and shall provide relevant objective criteria.

"(c) Compliance with such standard shall be voluntary, and any failure to comply shall not be subject to penalty or enforcement under this title.

"(d) Compliance with such standard shall not relieve any manufacturer of any requirement under the standard under section 602.

"3-YEAR AND 5-YEAR STUDIES REGARDING MOTOR VEHICLE THEFT

"SEC. 614. (a)(1) Not later than 3 years after the date of the enactment of this title, the Secretary shall submit a report to the Congress which includes the information and legislative recommendations required under paragraphs (2) and (3). Report. 15 USC 2034.

"(2) The report required by this subsection shall include—

"(A) data on the number of trucks, multipurpose passenger vehicles, and motorcycles, stolen and recovered annually, compiled by model, make, and line for all such motor vehicles distributed for sale in interstate commerce;

"(B) information on the extent to which trucks, multipurpose passenger vehicles, and motorcycles, stolen annually are dismantled to recover parts or are exported;

"(C) a description of the market for such stolen parts;

"(D) information concerning the premiums charged by insurers of comprehensive insurance coverage of trucks, multipurpose passenger vehicles, or motorcycles, including any increase in such premiums charged because any such motor vehicle is a likely candidate for theft; and

"(E) an assessment of whether the identification of parts of trucks, multipurpose passenger vehicles, and motorcycles is likely to have (i) a beneficial impact in decreasing the rate of theft of such vehicles; (ii) improve the recovery rate of such vehicles; (iii) decrease the trafficking in stolen parts of such vehicles; (iv) stem the export and import of such stolen vehicles or parts; or (v) benefits which exceed the cost of such identification.

"(3) The report under this subsection shall recommend to Congress whether, and to what extent, the identification of trucks, multipurpose passenger vehicles, and motorcycles should be required by statute.

Report.

"(b)(1) Not later than 5 years after the promulgation of the standard required by this title, the Secretary shall submit a report to the Congress which includes the information and legislative recommendations required under paragraphs (2) and (3).

"(2) The report required by this subsection shall include—

"(A) information about the methods and procedures used by public and private entities for collecting, compiling, and disseminating information concerning the theft and recovery of motor vehicles, including classes thereof, and about the reliability, accuracy, and timeliness of such information, and how such information can be improved;

"(B) data on the number of motor vehicles stolen and recovered annually, compiled by the class of vehicle, model, make, and line for all such motor vehicles distributed for sale in interstate commerce;

"(C) information on the extent to which motor vehicles stolen annually are dismantled to recover parts or are exported;

"(D) a description of the market for such stolen parts;

"(E) information concerning the costs to manufacturers, as well as to purchasers of passenger motor vehicles, in complying with the standard promulgated under this title, as well as the identification of the beneficial impacts of the standard and the monetary value of any such impacts, and the extent to which such monetary value is greater than the costs;

"(F) information concerning the experience of Federal, State, and local officials in making arrests and successfully prosecuting persons for violations of the provisions of law set forth in titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984, in preventing or reducing the number, and rate of, thefts of motor vehicles that are dismantled for parts subject to this title, and in preventing or reducing the availability of used parts that are stolen from motor vehicles subject to this title;

Post, pp. 2768, 2771.

"(G) information concerning the premiums charged by insurers of comprehensive insurance coverage of motor vehicles subject to this title, including any increase in such premiums charged because a motor vehicle is a likely candidate for theft, and the extent to which such insurers have reduced for the benefit of consumers such premiums as a result of this title or have foregone premium increases as a result of this title;

"(H) information concerning the adequacy and effectiveness of Federal and State laws aimed at preventing the distribution and sale of used parts that have been removed from stolen motor vehicles and the adequacy of systems available to enforcement personnel for tracing parts to determine if they have been stolen from a motor vehicle;

"(I) an assessment of whether the identification of parts of other classes of motor vehicles is likely to have (i) a beneficial impact in decreasing the rate of theft of such vehicles; (ii) improve the recovery rate of such vehicles; (iii) decrease the trafficking in stolen parts of such vehicles; (iv) stem the export and import of such stolen vehicles, parts, or components; or (v) benefits which exceed the costs of such identification; and

"(J) other pertinent and reliable information available to the Secretary concerning the impact, including the beneficial impact, of this title and titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984 on law enforcement, consumers, and manufacturers.

Post, pp. 2768, 2771.

"(3) The report submitted under this subsection to the Congress shall include recommendations for (A) continuing the standard established by this title without change, (B) modifying this title to cover more or fewer lines of passenger motor vehicles, (C) modifying this title to cover other classes of motor vehicles, or (D) terminating the standard for all future motor vehicles. The report may include, as appropriate, legislative and administrative recommendations.

Report.

"(c)(1) The reports under subsections (a) and (b) shall each be based on (A) the information reported under this title by insurers of motor vehicles and manufacturers of such vehicles and major replacement parts, (B) information provided by the Federal Bureau of Investigation, (C) experience obtained in the implementation, administration, and enforcement of this title, (D) experience gained by the Government under titles II and III of the Motor Vehicle Theft Law Enforcement Act of 1984, and (E) any other reliable and relevant information available to the Secretary.

"(2) In preparing each such report, the Secretary shall consult with the Attorney General of the United States and with State and local law enforcement officials, as appropriate.

"(3) The report under subsection (b) shall (A) cover a period of at least four years subsequent to the promulgation of the standard required by this title, and (B) reflect any information, as appropriate, from the report under subsection (a) updated from the time of such report.

Public availability.

"(4) At least 90 days before submitting each such report to Congress, the Secretary shall publish the proposed report for public review and for an opportunity for written comment of at least 45 days. The Secretary shall consider such comments in preparing the final report and shall include a summary of such comments with the final report.".

(b) Section 2 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901) is amended by inserting "and except as provided in section 601 of this Act" immediately after "title V".

REPORT REGARDING THEFT PREVENTION SYSTEMS

SEC. 102. (a) The Secretary of Transportation, not later than one year after the date of the enactment of this Act, shall submit a report to the Congress regarding security devices and systems which are designed to deter individuals from entering a locked motor vehicle and starting the motor vehicle for the purpose of stealing the motor vehicle.

(b) The report required in subsection (a) shall contain—

(1) a determination by the Secretary of whether a Federal standard regarding security devices and systems can be devised

which does not result in the compromising of motor vehicle theft prevention devices and systems in the process of demonstrating compliance with such standard;

(2) a determination by the Secretary of whether the purposes of theft prevention would be better served by such a standard or whether owners of motor vehicles used primarily in areas having high crime rates should be encouraged to equip their vehicles with security devices or systems; and

(3) a description of the costs and effectiveness of such devices and systems.

(c) The report required in subsection (a) also may include an examination and review of any matters relating to motor vehicle theft prevention which the Secretary of Transportation considers appropriate to examine and review. The Secretary shall prepare such report after consulting with the Attorney General of the United States. Such report shall include recommendations for such legislative or administrative action as the Secretary considers necessary or appropriate.

TITLE II—ANTIFENCING MEASURES

MOTOR VEHICLE IDENTIFICATION NUMBERS; FORFEITURES

SEC. 201. (a) Chapter 25 of title 18, United States Code, is amended by adding at the end the following new sections:

18 USC 511.

"§ 511. Altering or removing motor vehicle identification numbers

"(a) Whoever knowingly removes, obliterates, tampers with, or alters an identification number for a motor vehicle, or motor vehicle part, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"(b)(1) Subsection (a) of this section does not apply to a removal, obliteration, tampering, or alteration by a person specified in paragraph (2) of this subsection (unless such person knows that the vehicle or part involved is stolen).

"(2) The persons referred to in paragraph (1) of this subsection are—

"(A) a motor vehicle scrap processor or a motor vehicle demolisher who complies with applicable State law with respect to such vehicle or part;

"(B) a person who repairs such vehicle or part, if the removal, obliteration, tampering, or alteration is reasonably necessary for the repair; and

"(C) a person who restores or replaces an identification number for such vehicle or part in accordance with applicable State law.

"(c) As used in this section, the term—

"(1) 'identification number' means a number or symbol that is inscribed or affixed for purposes of identification under the National Traffic and Motor Vehicle Safety Act of 1966, or the Motor Vehicle Information and Cost Savings Act;

15 USC 1381 note.

15 USC 1901 note.

"(2) 'motor vehicle' has the meaning given that term in section 2 of the Motor Vehicle Information and Cost Savings Act;

15 USC 1901.

"(3) 'motor vehicle demolisher' means a person, including any motor vehicle dismantler or motor vehicle recycler, who is engaged in the business of reducing motor vehicles or motor

vehicle parts to metallic scrap that is unsuitable for use as either a motor vehicle or a motor vehicle part;

"(4) 'motor vehicle scrap processor' means a person—

"(A) who is engaged in the business of purchasing motor vehicles or motor vehicle parts for reduction to metallic scrap for recycling;

"(B) who, from a fixed location, uses machinery to process metallic scrap into prepared grades; and

"(C) whose principal product is metallic scrap for recycling;

but such term does not include any activity of any such person relating to the recycling of a motor vehicle or a motor vehicle part as a used motor vehicle or a used motor vehicle part.

"§ 512. Forfeiture of certain motor vehicles and motor vehicle parts 18 USC 512.

"(a) If an identification number for a motor vehicle or motor vehicle part is removed, obliterated, tampered with, or altered, such vehicle or part shall be subject to seizure and forfeiture to the United States unless—

"(1) in the case of a motor vehicle part, such part is attached to a motor vehicle and the owner of such motor vehicle does not know that the identification number has been removed, obliterated, tampered with, or altered;

"(2) such motor vehicle or part has a replacement identification number that—

"(A) is authorized by the Secretary of Transportation under the National Traffic and Motor Vehicle Safety Act of 1966; or 15 USC 1381 note.

"(B) conforms to applicable State law;

"(3) such removal, obliteration, tampering, or alteration is caused by collision or fire or is carried out as described in section 511(b) of this title; or

"(4) such motor vehicle or part is in the possession or control of a motor vehicle scrap processor who does not know that such identification number was removed, obliterated, tampered with, or altered in any manner other than by collision or fire or as described in section 511(b) of this title.

"(b) All provisions of law relating to—

"(1) the seizure and condemnation of vessels, vehicles, merchandise, and baggage for violation of customs laws, and procedures for summary and judicial forfeiture applicable to such violations;

"(2) the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from such disposition;

"(3) the remission or mitigation of such forfeiture; and

"(4) the compromise of claims and the award of compensation to informers with respect to such forfeiture;

shall apply to seizures and forfeitures under this section, to the extent that such provisions are not inconsistent with this section. The duties of the collector of customs or any other person with respect to seizure and forfeiture under such provisions shall be performed under this section by such persons as may be designated by the Attorney General.

"(c) As used in this section, the terms 'identification number', 'motor vehicle', and 'motor vehicle scrap processor' have the meanings given those terms in section 511 of this title.".

(b) The table of sections for chapter 25 of title 18, United States Code, is amended by adding at the end the following new items:

"511. Altering or removing motor vehicle identification numbers.
"512. Forfeiture of certain motor vehicles and motor vehicle parts.".

DEFINITION OF SECURITIES

SEC. 202. Section 2311 of title 18, United States Code, is amended in the fifth definition by inserting after "voting-trust certificate;" the following: "valid or blank motor vehicle title;".

SALE OR RECEIPT OF STOLEN MOTOR VEHICLES

SEC. 203. Section 2313 of title 18, United States Code, is amended—

(1) by inserting "possesses," after "receives,"; and

(2) by striking out "moving as, or which is a part of, or which constitutes interstate or foreign commerce," and inserting in lieu thereof "which has crossed a State or United States boundary after being stolen,".

TRAFFICKING IN CERTAIN MOTOR VEHICLES OR MOTOR VEHICLE PARTS

SEC. 204. (a) Chapter 113 of title 18, United States Code, is amended by adding at the end the following new section:

18 USC 2320.

"§ 2320. Trafficking in certain motor vehicles or motor vehicle parts

"(a) Whoever buys, receives, possesses, or obtains control of, with intent to sell or otherwise dispose of, a motor vehicle or motor vehicle part, knowing that an identification number for such motor vehicle or part has been removed, obliterated, tampered with, or altered, shall be fined not more than $20,000 or imprisoned not more than ten years, or both.

"(b) Subsection (a) does not apply if the removal, obliteration, tampering, or alteration—

"(1) is caused by collision or fire; or

"(2) is not a violation of section 511 of this title.

"(c) As used in this section, the terms 'identification number' and 'motor vehicle' have the meaning given those terms in section 511 of this title.".

Ante, p. 2768.

(b) The table of sections for chapter 113 of title 18, United States Code, is amended by adding at the end the following new item:

"2320. Trafficking in certain motor vehicles or motor vehicle parts.".

DEFINITION OF RACKETEERING ACTIVITY

SEC. 205. Section 1961(1) of title 18, United States Code, is amended—

(1) by inserting "sections 2312 and 2313 (relating to interstate transportation of stolen motor vehicles)," after "section 1955 (relating to the prohibition of illegal gambling businesses),"; and

(2) by inserting "section 2320 (relating to trafficking in certain motor vehicles or motor vehicle parts)," after "sections 2314 and 2315 (relating to interstate transportation of stolen property),".

TITLE III—IMPORTATION AND EXPORTATION MEASURES

AMENDMENTS TO TITLE 18, UNITED STATES CODE

SEC. 301. (a) Chapter 27 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 553. Importation or exportation of stolen motor vehicles, off-highway mobile equipment, vessels, or aircraft 18 USC 553.

"(a) Whoever knowingly imports, exports, or attempts to import or export—

"(1) any motor vehicle, off-highway mobile equipment, vessel, aircraft, or part of any motor vehicle, off-highway mobile equipment, vessel, or aircraft, knowing the same to have been stolen; or

"(2) any motor vehicle or off-highway mobile equipment or part of any motor vehicle or off-highway mobile equipment, knowing that the identification number of such motor vehicle, equipment, or part has been removed, obliterated, tampered with, or altered;

shall be fined not more than $15,000 or imprisoned not more than five years, or both.

"(b) Subsection (a)(2) shall not apply if the removal, obliteration, tampering, or alteration—

"(1) is caused by collision or fire; or

"(2) is not a violation of section 511 of this title.

"(c) As used in this section, the term—

"(1) 'motor vehicle' has the meaning given that term in section 2 of the Motor Vehicle Information and Cost Savings Act;

"(2) 'off-highway mobile equipment' means any self-propelled agricultural equipment, self-propelled construction equipment, and self-propelled special use equipment, used or designed for running on land but not on rail or highway;

"(3) 'vessel' has the meaning given that term in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401);

"(4) 'aircraft' has the meaning given that term in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301); and

"(5) 'identification number'—

"(A) in the case of a motor vehicle, has the meaning given that term in section 511 of this title; and

"(B) in the case of any other vehicle or equipment covered by this section, means a number or symbol assigned to the vehicle or equipment, or part thereof, by the manufacturer primarily for the purpose of identifying such vehicle, equipment, or part.".

(b) The table of sections for chapter 27 of title 18, United States Code, is amended by adding at the end the following new item:

"553. Importation or exportation of stolen motor vehicles, off-highway mobile equipment, vessels, or aircraft.".

AMENDMENT TO TARIFF ACT OF 1930

SEC. 302. Part V of title IV of the Tariff Act of 1930 (19 U.S.C. 1581 et seq.) is amended by adding at the end thereof the following new section:

19 USC 1627.

"SEC. 627. UNLAWFUL IMPORTATION OR EXPORTATION OF CERTAIN VEHICLES AND EQUIPMENT; INSPECTIONS.

"(a)(1) Whoever knowingly imports, exports, or attempts to import or export—

"(A) any motor vehicle, off-highway mobile equipment, vessel, aircraft, or part of any motor vehicle, off-highway mobile equipment, vessel or aircraft, knowing the same to have been stolen; or

"(B) any motor vehicle or off-highway mobile equipment, or part of any motor vehicle or off-highway mobile equipment, knowing that the identification number has been removed, obliterated, tampered with, or altered;

shall be subject to a civil penalty in an amount determined by the Secretary, not to exceed $10,000 for each violation.

"(2) Any violation of this subsection shall make such motor vehicle, off-highway mobile equipment, vessel, aircraft, or part thereof subject to seizure and forfeiture under this Act.

"(3) The provisions of paragraph (1)(B) shall not apply in the case of any vehicle, equipment, or part, if the removal, obliteration, tampering with, or alteration of the identification number for such vehicle, equipment, or part—

"(A) was caused by any collision or fire which results in damage to that portion of such vehicle, equipment, or part on which such identification number is displayed; or

"(B) was carried out in accordance with the provisions of section 511(b) of title 18, United States Code.

Regulations.

"(b) The Secretary shall prescribe regulations under which a person attempting to export any used motor vehicle or any used off-highway mobile equipment shall present to the appropriate customs officer both the vehicle or equipment, as the case may be, and a document describing such vehicle or equipment, as the case may be, which includes the vehicle or equipment identification number, as the case may be, before lading if the vehicle or equipment, as the case may be, is to be transported by vessel or aircraft, or before export if the vehicle or equipment, as the case may be, is to be transported by rail, highway, or under its own power. Failure to comply with such regulations of the Secretary shall subject such person to a civil penalty of not more than $500 for each violation.

"(c) For purposes of this section—

"(1) the term 'motor vehicle' includes any automobile, truck, bus, motorcycle, or motor home, but such term does not include any off-highway mobile equipment;

"(2) the term 'off-highway mobile equipment' means self-propelled agricultural equipment, self-propelled construction equipment, and self-propelled special use equipment, used or designed for running on land but not on rail or highway;

"(3) the term 'aircraft' has the meaning given it in section 101(5) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(5));

"(4) the term 'used' refers to any motor vehicle or off-highway mobile equipment the equitable or legal title to which has been transferred by a manufacturer, distributor, or dealer to an ultimate purchaser;

"(5) the term 'ultimate purchaser' means the first person, other than a dealer purchasing in his capacity as a dealer, who in good faith purchases a motor vehicle or off-highway mobile equipment for purposes other than resale; and

"(6) the term 'identification number' has the meaning given such term in section 553(b)(5) of title 18, United States Code.

"(d) Customs officers may cooperate and exchange information concerning motor vehicles, off-highway mobile equipment, vessels, or aircraft, either before exportation or after exportation or importation, with such Federal, State, local, and foreign law enforcement or governmental authorities, and with such organizations engaged in theft prevention activities, as may be designated by the Secretary.".

Approved October 25, 1984.

LEGISLATIVE HISTORY—H.R. 6257 (S. 1400):

HOUSE REPORT No. 98-1087, Pt. 1 (Comm. on Energy and Commerce).
SENATE REPORT No. 98-478 accompanying S. 1400 (Comm. on Commerce, Science, and Transportation).
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