

106TH CONGRESS
2D SESSION

S. 3012

To amend title 18, United States Code, to impose criminal and civil penalties for false statements and failure to file reports concerning defects in foreign motor vehicle products, and to require the timely provision of notice of such defects, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 2000

Mr. LEAHY introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 18, United States Code, to impose criminal and civil penalties for false statements and failure to file reports concerning defects in foreign motor vehicle products, and to require the timely provision of notice of such defects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transportation Infor-
5 mation Recall Enhancement Act”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds that—

1 (1) in an interview with ABC News on Sep-
2 tember 3, 2000, Secretary of Transportation Rodney
3 Slater stated that he thinks there should be a law
4 requiring that the United States be immediately no-
5 tified of a foreign recall, “especially in the global
6 economy when you’ve got U.S. goods really being
7 used by individuals around the world. We should
8 know when there’s a problem someplace else.”;

9 (2) as of the date of enactment of this Act,
10 there is no legal requirement for manufacturers of
11 motor vehicles and their components to notify
12 United States agencies of a recall issued in a foreign
13 country;

14 (3) between August 1999 and spring 2000,
15 Ford Motor Company replaced Firestone tires on
16 46,912 vehicles in Saudi Arabia, Thailand, Malaysia,
17 and South America;

18 (4)(A) on May 2, 2000, the National Highway
19 Traffic Safety Administration opened a preliminary
20 evaluation into Firestone ATX, ATX II, and Wilder-
21 ness AT tires after receiving 90 complaints, pri-
22 marily from consumers in the Southeast and South-
23 west, about tread separations or blowouts;

24 (B) as of September 2000, the National High-
25 way Traffic Safety Administration has received over

1 1,400 complaints, including reports of more than
2 250 injuries and 88 deaths; and

3 (C) some of the complaints date back to the
4 early 1990s, and 797 of the complaints report that
5 a tire failure took place between August 1, 1999,
6 and August 9, 2000; and

7 (5)(A) on August 9, 2000, Bridgestone/Fire-
8 stone announced a United States recall of 6,500,000
9 ATX, ATX II, and Wilderness AT tires; and

10 (B) that date was 3 months after the National
11 Highway Traffic Safety Administration commenced
12 its investigation and nearly 9 months after Ford
13 Motor Company initiated the replacement of the
14 tires in foreign countries.

15 (b) PURPOSE.—The purpose of this Act is to ensure
16 that defects in motor vehicles or replacement equipment
17 in foreign countries are quickly, accurately and truthfully
18 reported to the United States Secretary of Transportation
19 in cases in which—

20 (1) the motor vehicles or replacement equip-
21 ment is manufactured for export to the United
22 States; or

23 (2) the motor vehicles or replacement equip-
24 ment is manufactured in the United States using a
25 manufacturing process that is the same as, or simi-

1 lar to, the manufacturing process used in the foreign
 2 country, with the result that the motor vehicles or
 3 replacement equipment manufactured in the United
 4 States may also be defective.

5 **SEC. 3. CRIMINAL AND CIVIL PENALTIES IN CONNECTION**
 6 **WITH REPORTING OF DEFECTS IN FOREIGN**
 7 **MOTOR VEHICLE PRODUCTS.**

8 (a) IN GENERAL.—Chapter 47 of title 18, United
 9 States Code, is amended by adding at the end the fol-
 10 lowing:

11 **“§ 1036. Penalties in connection with reporting of de-**
 12 **fects in foreign motor vehicle products**

13 “(a) DEFINITIONS.—

14 “(1) FOREIGN MOTOR VEHICLE PRODUCT.—

15 The term ‘foreign motor vehicle product’ means a
 16 motor vehicle or replacement equipment that—

17 “(A) is manufactured in a foreign country
 18 for export to the United States; or

19 “(B) is manufactured in a foreign country
 20 using a manufacturing process that is the same
 21 as, or similar to, a manufacturing process used
 22 in the United States for a motor vehicle or re-
 23 placement equipment.

24 “(2) OTHER TERMS.—The terms ‘defect’, ‘man-
 25 ufacturer’, ‘motor vehicle’, and ‘replacement equip-

1 ment' have the meanings given the terms in section
2 30102 of title 49.

3 “(b) CRIMINAL PENALTY.—A manufacturer of a for-
4 eign motor vehicle product, or an officer or employee of
5 such a manufacturer, that, in connection with a report re-
6 quired to be filed under section 30118(f) of title 49,
7 willfully—

8 “(1) falsifies or conceals a material fact;

9 “(2) makes a materially false, fictitious, or
10 fraudulent statement or representation; or

11 “(3) makes or uses a false writing or document
12 knowing that the writing or document contains any
13 materially false, fictitious, or fraudulent statement
14 or entry;

15 shall be fined under this title, imprisoned not more than
16 5 years, or both.

17 “(c) CIVIL PENALTY.—

18 “(1) IN GENERAL.—In addition to any civil
19 penalty that may be assessed under chapter 301 of
20 title 49, a manufacturer that violates section
21 30118(f) of title 49 shall be subject to a civil penalty
22 of not more than \$500,000 for each day of the viola-
23 tion.

1 “(2) COMPROMISE OF PENALTY.—The Attorney
2 General may compromise the amount of a civil pen-
3 alty imposed under paragraph (1).

4 “(3) DETERMINATION OF AMOUNT.—In deter-
5 mining the amount of a civil penalty or compromise
6 under this subsection, the Attorney General shall
7 consider—

8 “(A) the appropriateness of the penalty or
9 compromise in relation to the size of the busi-
10 ness of the manufacturer liable for the penalty;
11 and

12 “(B) the gravity of the violation.

13 “(4) DEDUCTION OF AMOUNT OF PENALTY.—
14 The United States Government may deduct the
15 amount of the civil penalty imposed or compromised
16 under this section from any amount that the Gov-
17 ernment owes the manufacturer liable for the pen-
18 alty.”.

19 (b) CONFORMING AMENDMENT.—The analysis for
20 chapter 47 of title 18, United States Code, is amended
21 by adding at the end the following:

 “1036. Penalties in connection with reporting of defects in foreign motor vehicle
 products.”.

1 **SEC. 4. REPORTING OF DEFECTS IN FOREIGN MOTOR VEHI-**
2 **CLE PRODUCTS.**

3 Section 30118 of title 49, United States Code, is
4 amended by adding at the end the following:

5 “(f) REPORTING OF DEFECTS IN FOREIGN MOTOR
6 VEHICLE PRODUCTS.—

7 “(1) DEFINITION OF FOREIGN MOTOR VEHICLE
8 PRODUCT.—The term ‘foreign motor vehicle product’
9 means a motor vehicle or replacement equipment
10 that—

11 “(A) is manufactured in a foreign country
12 for export to the United States; or

13 “(B) is manufactured in a foreign country
14 using a manufacturing process that is the same
15 as, or similar to, a manufacturing process used
16 in the United States for a motor vehicle or re-
17 placement equipment.

18 “(2) REPORTING OF DEFECTS.—

19 “(A) INITIAL REPORT.—Not later than 48
20 hours after determining, or learning that a gov-
21 ernment of a foreign country has determined,
22 that a foreign motor vehicle product contains a
23 defect that could be related to motor vehicle
24 safety, the manufacturer of the foreign motor
25 vehicle product shall report the determination
26 to the Secretary.

1 “(B) WRITTEN REPORT.—

2 “(i) IN GENERAL.—Not later than 5
3 days after the end of the 48-hour period
4 described in subparagraph (A), the manu-
5 facturer shall submit to the Secretary a
6 written report that meets the requirements
7 of clause (ii).

8 “(ii) CONTENTS OF WRITTEN RE-
9 PORT.—A written report under clause (i)
10 shall contain—

11 “(I) a description of the foreign
12 motor vehicle product that is the sub-
13 ject of the report;

14 “(II) a description of—

15 “(aa) the determination of
16 the defect by the government of
17 the foreign country or by the
18 manufacturer of a foreign motor
19 vehicle product; and

20 “(bb) any measures that the
21 government requires to be taken,
22 or the manufacturer determines
23 should be taken, to obtain a rem-
24 edy of the defect;

1 “(III) information concerning
2 any serious injuries or fatalities pos-
3 sibly resulting from the defect; and

4 “(IV) such other information as
5 the Secretary determines to be appro-
6 priate.

7 “(3) REPORTING OF POSSIBLE DEFECTS.—
8 Upon making a determination that there have been
9 a significant number of serious injuries or fatalities
10 in a foreign country that could have resulted from
11 a defect in a foreign motor vehicle product that
12 could be related to motor vehicle safety (as deter-
13 mined in accordance with regulations promulgated
14 by the Secretary), the manufacturer of the foreign
15 motor vehicle product shall report the determination
16 to the Secretary in such manner as the Secretary es-
17 tablishes by regulation.”.

18 **SEC. 5. EFFECTIVE DATE.**

19 This Act and the amendments made by this Act take
20 effect on the date that is 180 days after the date of enact-
21 ment of this Act.

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