

## DEPARTMENT OF TRANSPORTATION

## National Highway Traffic Safety Administration

## 49 CFR Parts 573, 576 and 577

[Docket No. 93-68; Notice 5]

**Defect and Noncompliance Reports; Record Retention; Defect and Noncompliance Notification; Notice of Public Meeting; Request for Comments****AGENCY:** National Highway Traffic Safety Administration (NHTSA), DOT.**ACTION:** Notice of public meeting; request for comments.

**SUMMARY:** This document announces a public meeting at which NHTSA will seek information from the public in connection with several specified issues raised by petitions for reconsideration of a final rule amending 49 CFR Part 573, "Defect and Noncompliance Reports," Part 576, "Record Retention," and Part 577, "Defect and Noncompliance Notification." 60 FR 17254 (April 5, 1995). This document also invites written comments on those issues.

**DATES:** The meeting will be held on July 24, 1995, at 10:00 a.m. Those wishing to make oral presentations should contact Jonathan White, at the address or telephone number listed below, no later than July 14, 1995. Written comments must be submitted to the agency no later than July 31, 1995.

**ADDRESSES:** The public meeting will be held at the Ramada Inn (near the Detroit Metro Airport), 8270 Wickham Road, Romulus, MI 48174. Written comments may be submitted at the public meeting or mailed to the Docket Section, National Highway Traffic Safety Administration, Room 5109, 400 7th Street, SW., Washington, DC 20590. Please refer to the docket and notice number set out above when submitting written comments.

**FOR FURTHER INFORMATION CONTACT:** Jonathan D. White, Office of Defects Investigation, National Highway Traffic Safety Administration, 400 Seventh Street, SW, Room 5319, Washington, DC 20590; (202) 366-5227.

**SUPPLEMENTARY INFORMATION:** On April 5, 1995 (60 FR 17254), NHTSA published a final rule that amended several provisions of its defect/noncompliance investigation, defect/noncompliance notification, and recordkeeping regulations. 49 CFR Parts 552, 554, 573, 576, and 577. Petitions for reconsideration of certain of those amendments were filed by the Association of International Automobile Manufacturers, Inc. (AIAM), Chrysler

Corporation (Chrysler), Ford Motor Company (Ford), General Motors Corporation (GM), and PACCAR, Inc. (PACCAR).

The reconsideration petitions addressed the following seven provisions adopted or modified by the April 5 final rule: Section 573.5(c)(8), submission of proposed schedule for recall to NHTSA; section 577.5, notification to lessors/lessees of defect and noncompliance determinations; section 573.7(d) and (e), retention of lists of leased vehicles affected by safety recalls; section 576.5, record retention period; section 573.5(c)(10), submission of draft owner notification letters to NHTSA; section 577.5, marking of owner notification envelopes; and section 577.10, follow-up owner notification.

NHTSA has decided that it would be appropriate to obtain additional information on the first four issues noted above. Therefore, by this notice, the agency is announcing that it will conduct a public meeting to obtain such information. In addition, NHTSA is also soliciting written comments on these four issues. The agency will address the other three matters raised by the petitions for reconsideration; however, they will not be discussed at the meeting.

1. Section 573.5(c)(8), *Submission of recall schedule*. Section 573.5(c) sets forth the information that a manufacturer must include in the report it submits to NHTSA after a determination by the manufacturer or NHTSA that a defect or noncompliance exists in motor vehicles or items of replacement equipment. The April 5 final rule added a provision to section 573.5(c)(8) to require manufacturers to include in their "program for remedying the defect or noncompliance" a schedule for implementation of the notification and remedy requirements of the statute where it appears that the campaign would not be commenced within 30 days or completed within 75 days of the notification to the agency.

Four petitioners requested reconsideration of the time frames specified in the amendment. NHTSA seeks additional information as to whether the specified time periods are appropriate and the burdens, if any, of submitting the required schedule.

2 and 3. Section 577.5(h) and (i), *Duty to notify lessors and lessees of defect and noncompliance determinations*; and section 573.7(d) and (e), *Retention of lists of leased vehicles affected by safety recalls*. The Intermodal Surface Transportation Efficiency Act added a statutory provision that requires lessors that are notified of a recall applicable to

a leased motor vehicle to provide notification of the recall to their lessees in the manner prescribed by NHTSA regulation. 49 U.S.C. 30119(f). To implement this provision, in the April 5 final rule NHTSA amended its owner notification requirements, 49 CFR 577.5, by adding new paragraphs (h) and (i). Section 577.5(h) requires manufacturers to include information regarding the lessor's obligation in each owner notification letter. Section 577.5(i) provides that lessors must send a copy of the owner notification letter to their lessees unless the manufacturer has notified the lessee directly.

In addition, the agency amended 49 CFR 573.7, which establishes requirements for the retention of lists of recipients of recall notifications, by adding new paragraphs (d) and (e) regarding lessor and lessee notifications. For many years, section 573.7(a) has required manufacturers of motor vehicles to maintain lists of the names and addresses of all registered owners or purchasers of vehicles covered by defect or noncompliance recalls in order to enable NHTSA, inter alia, to monitor the effectiveness of such recalls. New section 573.7(d) requires manufacturers that have information indicating that a particular vehicle covered by a recall is a leased vehicle to identify the vehicle as leased on the list required by section 573.7(a) or to maintain a separate list of leased vehicles covered by the campaign. New section 573.7(e) requires manufacturers and lessors to maintain information (for one year after the lease expires) identifying the lessees (and their leased vehicles) to which the manufacturer and/or lessor provided notification of a recall.

Chrysler, Ford, and General Motors raised several concerns regarding these amendments. Among other things, these petitioners contended that language regarding the responsibilities of lessors should not be included in all owner notification letters, since it could be confusing and counter-productive. They also contended that requiring the manufacturers to maintain separate records regarding lessors and lessees notified created an unreasonable burden on them.

NHTSA encourages discussion of alternative solutions to the lessee notification issue that are less burdensome, yet will permit the agency to assure compliance with the requirements of 49 U.S.C. 30119(f). The agency particularly wishes to receive input from lessors and/or lessor associations, which have not participated in this rulemaking to date.

4. Section 576.5, *Records retention period*. NHTSA imposes recordkeeping