



NATIONAL AUTOMOBILE DEALERS ASSOCIATION



NADA LEGISLATIVE PRIORITIES (excerpt) – September 22, 2015

Congress Should Reject Overbroad Recall Bills (H.R. 2198 & H.R. 1181) that May be Attached to the Transportation Bill.

The Senate passed its transportation bill (H.R. 22) on July 30. H.R. 22 included a provision offered by Sen. McCaskill (D-Mo.) that would prohibit “rental car companies” (which is defined to include most dealerships) from renting vehicles (and dealer loaners) under open recall. Sen. Blumenthal (D-Conn.) offered a related amendment that would ground all used vehicles under recall sold at a dealership (but not private sales). The Senate Commerce Committee rejected the Blumenthal amendment by a vote of 13-11, and the amendment was not considered on the Senate floor.

Legislation that would ground all vehicles under open recall at a dealership are flawed because they fail to differentiate between recalls that involve a defect that should be immediately addressed and those with a negligible impact on safety, such as an incorrect phone number in the owner’s manual, or an airbag warning sticker that might peel off the sun visor. Measures to ground all rental and used-cars under recall, such as H.R. 2198 & H.R. 1181 respectively, should be rejected.

The House Energy and Commerce Committee has started work on its transportation bill. NADA supports measures to boost recall completion rates, and NHTSA should improve the recall database to handle multiple VIN requests as a single inquiry. *Congress is urged to focus on recall provisions that measurably benefit safety, and oppose overbroad legislation that raises costs for consumers and small businesses without a commensurate safety benefit.*