

APPRO

SEP 9 - 1966

*Exemption Statement
9/9/66*

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

SEP 3 1966



MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3005 - National Traffic and Motor Vehicle
Safety Act of 1966
Sponsor - Sen. Magnuson (D) Washington

Last Day for Action

September 13, 1966 - Tuesday

Purpose

Directs the Secretary of Commerce (1) to establish safety standards for motor vehicles and vehicle equipment, (2) to carry on research and development activities necessary for the establishment of effective standards, (3) to develop plans for an accident and injury research test facility, and (4) to expand the national driver register.

Agency Recommendations

- | | |
|---|---------------------------|
| Bureau of the Budget | Approval |
| Department of Commerce | Approval |
| Department of Health, Education,
and Welfare | Approval (Informally) |
| Interstate Commerce Commission | No objection |
| Department of the Treasury | No objection |
| Department of Justice | No objection (Informally) |

Discussion

The enrolled bill is based upon recommendations in your Transportation Message of March 2, 1966. The Secretary of Commerce transmitted to Congress on that date a bill embodying those recommendations. That bill dealt with both vehicle safety standards and with State highway safety programs. When the legislation was introduced in the Senate it was separated into two bills for referral to different committees:

- S. 3005 - The National Traffic and Motor Vehicle Safety Act of 1966, and

S. 3052 - The Highway Safety Act of 1966.

S. 3052, which is concerned primarily with comprehensive State highway programs, is also enrolled and is discussed in a separate memorandum.

This enrolled bill also contains the substance of Senator Magnuson's tire safety bill (S. 2669) which you supported in your Transportation Message. A summary of the major provisions of S. 3005 follows:

Motor vehicle safety standards - Title I

1. The Secretary of Commerce is directed to issue initial Federal vehicle safety standards, including standards for vehicle equipment, by January 31, 1967, and to issue new and revised standards by January 31, 1968. He may revoke or amend any standard issued. These standards will apply to all new motor vehicles--automobiles, trucks, buses, and motorcycles (whether of American or foreign manufacture)--and to motor vehicle equipment, including tires.

2. The States and their local subdivisions are prohibited from establishing or continuing any safety standard of their own which is not identical to the applicable Federal standard. However, State and local governments and the Federal Government may impose a higher safety standard for vehicles and equipment which they procure for their own use.

3. The Secretary is directed to establish a National Motor Vehicle Safety Advisory Committee, a majority of whom are to be representatives of the general public, including representatives of State and local governments, and the remainder are to include representatives of industry. In prescribing vehicle standards, he is required to consult with that Committee. He is also to consult with the Vehicle Equipment Safety Commission and State and interstate agencies as he deems appropriate.

4. Any person who is adversely affected by a Federal standard may challenge the standard within 60 days of issuance and have it reviewed by a U.S. court of appeals.

5. The Secretary is directed to conduct research, testing, development and training activities necessary for the establishment of effective standards, and is authorized to make grants to States and nonprofit institutions for these purposes.

6. The Secretary may conduct such investigation and inspection as may be necessary to enforce Federal vehicle safety standards.

7. The Secretary must report to Congress within one year his findings and legislative recommendations as to motor vehicle inspection practices in each State. Within one year after such report, he is directed to establish Federal standards for used motor vehicles.

8. Manufacturers must furnish a certification to distributors and dealers that vehicles conform to applicable Federal safety standards. They must also furnish to dealers and purchasers notices of defects and noncompliance with Federal standards discovered subsequent to delivery.

9. In the event that a vehicle or piece of equipment is discovered to have a safety defect or to be in violation of Federal standards after delivery to the distributor or dealer, the manufacturer or the selling distributor is required either to repurchase the vehicle or equipment at the original price plus transportation charges and a specified percentage of the purchase price as reimbursement for the inconvenience caused, or, in the case of a vehicle, to provide replacement parts plus the cost of installation and a reimbursement of a specified percentage of the price.

10. The bill prohibits the following: (a) sale of noncomplying vehicles or equipment, (b) failure to provide information or access to the Secretary in the pursuit of his enforcement functions, (c) failure to issue a certificate that a vehicle is in compliance with Federal standards or knowing falsification of a certificate, and (d) failure to furnish notification of defects.

11. The bill authorizes civil penalties of not more than \$1,000 for each violation of the above prohibitions, or \$400,000 for a series of violations. It also authorizes the U.S. District Courts to restrain the sale of noncomplying vehicles or equipment upon petition by the Attorney General.

Tire safety - Title II

In addition to setting safety standards for tires, the Secretary shall:

- require certain safety information to be labelled on tires
- establish, within two years after passage of this Act, a quality grading system for tires, and
- cooperate with industry and the FTC in efforts to eliminate deceptive and confusing tire nomenclature and marketing practices.

The bill prohibits the sale of regrooved tires except where the Secretary determines that such sale would be consistent with the purposes of the Act.

Accident and injury research test facility - Title III

The Secretary is authorized to make a study of the need for a Federal facility or facilities to conduct research, development, and testing in traffic safety and is to report his findings and recommendations to Congress not later than December 31, 1967.

National driver register - Title IV

The Secretary must expand the National Driver Register to include the names of individuals reported to him by States and political subdivisions who have either been denied drivers' licenses or whose licenses have been terminated or temporarily withdrawn.

The Secretary is authorized to furnish information with respect to any individual listed in the register to a State, political subdivision or Federal agency requesting it.

Administration

Title I of the bill requires the Secretary to establish a National Traffic Safety Agency within the Department of Commerce, headed by a level V Administrator appointed by the President, to carry out the provisions of this bill.

Appropriation authorizations

For the vehicle standards functions, the bill authorizes appropriations from the general fund of \$11 million for fiscal year 1967, \$17 million for 1968, and \$23 million for 1969. It authorizes \$2.9 million in 1967 and \$1.45 million in both 1968 and 1969 for tire safety functions. In addition, \$3 million is authorized for the study of accident and injury research and test facilities.

Major differences between S. 3005 and the Administration's proposal

The enrolled bill differs from the Administration's proposal in the following major respects:

- It requires the Secretary to establish standards. The Administration bill granted discretionary authority to the Secretary to establish safety standards if after two years he determined that a need existed.

- It requires vehicles under ICC jurisdiction to conform to the standards issued by the Secretary. The Administration bill exempted such vehicles.
- It provides that the Secretary within two years after enactment shall establish Federal vehicle standards for used cars. The Administration bill did not cover used vehicles.
- It provides that if vehicles or equipment are discovered to have safety defects or to be in violation of Federal safety standards, manufacturers must notify dealers and purchasers of such facts.
- It does not contain provision for injunctive seizure of vehicles and equipment not complying with Federal standards.
- It requires that a National Traffic Safety Agency and a National Motor Vehicle Safety Advisory Council be established.

In addition, S. 3005 contains an amendment proposed by Senator Long of Louisiana which states that when the Federal contribution to a safety research project is more than minimal, all resulting patents and processes will be made fully and freely available to the public. This provision may retard progress in privately initiated research projects where the researcher might choose to proceed slowly on private funds rather than to accept a much needed Federal research grant and thereby lose his potential patent rights.

The Bureau will shortly submit to you a proposed 1967 appropriation estimate for funds necessary to carry out the functions under this bill.

Wilfred H. Rommel

Assistant Director for
Legislative Reference

Enclosures



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Eno

Center for
Transportation

SEP 7 1966

Dear Mr. Schultze:

This is in reply to Mr. Rommel's letter of September 2, 1966, transmitting a copy of enrolled bill S. 3052, "To provide for a coordinated national highway safety program through financial assistance to the States to accelerate highway traffic safety programs, and for other purposes", and requesting an expression of our views relative to this legislation.

As already communicated to your Bureau orally, this Department recommends approval of this enrolled bill.

Sincerely,

A handwritten signature in blue ink, which appears to read "William J. Cohen". The signature is written in a cursive style.

Under Secretary

Honorable Charles L. Schultze
Director, Bureau of the Budget
Washington, D.C.



GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE
WASHINGTON, D.C. 20230

Washington 25, D.C.

September 2, 1966

SEP 2 1966



Honorable Charles L. Schultze
Director, Bureau of the Budget
Washington, D. C. 20503

Dear Mr. Schultze:

This is in reply to your request for the views of this Department concerning S. 3005, an enrolled enactment

"To provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents."

The Department of Commerce urges Presidential approval of S. 3005.

Sincerely,

Robert E. Giles
General Counsel

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OFFICE OF THE CHAIRMAN

Interstate Commerce Commission
Washington 25, D.C.

September 2, 1966

Eno
Center for
Transportation

Mr. Wilfred H. Rommel
Assistant Director for Legislative Reference
Bureau of the Budget
Washington, D. C. 20503

Dear Mr. Rommel:

Your letter of September 1, 1966, addressed to the Chairman of the Commission and requesting comments on the enrolled bill, S. 3005, "To provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents" has been referred to our Committee on Legislation. After consideration by that Committee, I am authorized to submit the following comment in its behalf:

We do not object to enactment of S. 3005.

Sincerely,

Chairman, Committee on Legislation
John W. Bush
Laurence K. Walrath
Willard Deason

BUREAU OF THE BUDGET

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THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220



SEP 2 1966

Sir:

Your office has asked for the views of this Department on the enrolled enactment of S. 3005, "To provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents."

The enrolled enactment would authorize the Secretary of Commerce to establish and enforce safety standards for motor vehicles and items of motor vehicle equipment. Section 108 would, among other things, prohibit the importation of motor vehicles or items of motor vehicle equipment not conforming to standards, but would authorize the Secretary of Commerce and the Secretary of the Treasury to permit the temporary importation of certain non-conforming vehicles. The programs would be paid for by appropriated funds.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President. We would hope, however, that the Administration would continue its effort to have the automotive safety program financed by a trust fund derived from revenues from the tax on passenger vehicles.

Sincerely yours,

Fred B. Smith
General Counsel

The Director

Bureau of the Budget

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SEP 5 1966
GENERAL COUNSEL

Eno

Center for
Transportation

SEP 6 1966

Dear Mr. Schultze:

This is in reply to Mr. Rommel's letter of September 1, 1966, transmitting a copy of enrolled bill S. 3005, "To provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents", and requesting an expression of our views relative to this legislation.

As already communicated to your Bureau orally, this Department recommends approval of this enrolled bill.

Sincerely,



Under Secretary

Honorable Charles L. Schultze
Director, Bureau of the Budget
Washington, D.C.

September 6, 1966

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Center for
Transportation

MEMORANDUM FOR: Mr. Califano
Mr. Kintner
Mr. Watson
Mr. McPherson

RE: S. 3005 -- The National Traffic and Motor Safety Act of 1966
S. 3052 -- The Highway Safety Act of 1966

Word has been received from the Department of Justice via the Bureau of the Budget that when the President signs these two bills, he should sign S. 3005 first and S. 3052 thereafter, with an indication of the time on each one.

The reason for Justice's recommendation in this regard is the provisions in Sec. 201 of S. 3052 regarding the manner of carrying out the provisions of these two enrolled enactments.

Since the indication is that the President will take action on these two bills at the same ceremony, the purpose of this memo is to call attention to the recommended sequence.

William J. Hopkins

bcc: Mrs. Roberts

WJH:rah