

June 8, 2022

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The Honorable Patrick J. Diegnan Jr., Chair Senate Committee on Transportation New Jersey State House 125 W. State Street Trenton, NJ 08608

RE: Support Senate Bill 2004 - Vehicle Recalls

Dear Chairman Diegnan and Members of the Committee:

On behalf of the Alliance for Automotive Innovation (Auto Innovators), I am writing to express our strong support for Senate Bill 2004, legislation drafted to help increase the completion rate of important vehicle safety recalls through increased consumer education and notification. Formed in 2020, Auto Innovators is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Auto Innovators represents the automakers that manufacturer nearly 98 percent of all cars and light-duty trucks sold in the U.S., as well as major original equipment suppliers and other automotive technology companies.

First and foremost, Auto Innovators' members take seriously the obligation to quickly identify safety problems, develop and validate remedies for those problems, and start recall campaigns as rapidly as possible. Along with other stakeholders, manufacturers recognize their part in helping ensure vehicle recall repairs are completed. To that end, manufacturers have proactively developed innovative solutions to help increase consumer awareness.

In 2018, a partnership was formed between automakers and CARFAX to develop an innovative tool, known as the Vehicle Recall Search Service (VRSS)<sup>1</sup>, which allows public and private sector entities to automatically check up to 10,000 vehicles at the same time for potential open recalls free of charge. To date, organizations such as insurance companies, rental car fleets, business fleet managers, ride sharing programs, federal and state government agencies – including Departments of Motor Vehicles, automotive parts recyclers, finance companies, and more, have successfully integrated VRSS recall data to enhance both their internal processes and their regular interactions with vehicle owners. The auto industry is encouraged by the tremendous success of the program, which recently surpassed ONE BILLION vehicle checks for open recalls. We remain hopeful that more organizations take action to benefit from this free service.<sup>2</sup>

While progress is being made, in practice some recalls have a low participation rate. And that's despite automakers' efforts to encourage owners to take appropriate actions and take advantage of the free repairs offered through a manufacturer's authorized dealer network. According to the GAO, the average recall participation rate is 70%. A previous automaker analysis found that participation rates varied markedly, from 83% for newer vehicles, to as low as 15% for vehicles older than 10 years. Participation rates less than 100% reflect the reality of voluntary, consumer-dependent recall programs.

https://www.reuters.com/article/us-autos-safety/automakers-launch-online-tool-to-look-up-car-recall-idUSKBN1GZ2R7

<sup>&</sup>lt;sup>2</sup> Organizations and government agencies can apply to access the tool at: <a href="http://www.vehiclerecallsearchservice.org/">http://www.vehiclerecallsearchservice.org/</a>

Some states have taken proactive steps to try and increase recall completion by notifying vehicle owners of open recalls. Texas passed recall notification legislation in 2019, while three additional states, Ohio, California, and Maryland, have received funding from the National Highway Traffic Safety Administration (NHTSA)<sup>3</sup> to support pilot programs.

These states notification programs are already showing great promise. In fact, based on early success of their notification program, Maryland has authorized their program to continue indefinitely. In the first two years, the Maryland Motor Vehicle Administration identified over a million individual<sup>4</sup> open recalls which led to the successful completion of nearly 400,000 recalls. Interestingly, almost half of the completed recalls were at least two years old – proving the program was reaching the vehicle owners with older recalls.

Since owner participation in safety recalls is voluntary under federal law, we are supportive of initiatives – such as Senate Bill 2004 – that would help boost completion rates. This legislation would leverage the inspection and registration process to provide vehicle owners with a vehicle-specific printout of any open recalls on their vehicles, along with clear instructions on how to obtain the necessary repairs. Senate Bill 2004 would open another avenue to engage the consumer and dramatically help increase completion rates and overall roadway safety.

Thank you in advance for your consideration of our views. If I can answer any questions or provide any further information, please do not hesitate to contact me at 202-326-5550 or wweikel@autosinnovate.org.

Respectfully submitted,

Wayne Weikel

Senior Director, State Government Affairs

cc: Members, Senate Committee on Transportation

<sup>&</sup>lt;sup>3</sup> NHTSA Announces Three States Awarded DMV Recall Grants 1-15-2021 <a href="https://www.nhtsa.gov/press-releases/nhtsa-announces-three-states-awarded-dmv-recall-grants">https://www.nhtsa.gov/press-releases/nhtsa-announces-three-states-awarded-dmv-recall-grants</a>