



NATIONAL AUTOMOBILE DEALERS ASSOCIATION
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Legal & Regulatory Group

March 23, 2001

BY ELECTRONIC SUBMISSION AND REGULAR MAIL

Docket Management, Room PL-401
National Highway Traffic Safety Administration (NHTSA)
400 Seventh Street, SW
Washington, DC 20590

Re: Standards Enforcement and Defect Investigation; Defect and Noncompliance Reports; Record Retention; 49 CFR Parts 554, 573, and 576; Docket No. NHTSA 2001-8677; Notice 1

Ladies and Gentlemen:

The National Automobile Dealers Association (NADA) represents 20,000 franchised automobile and truck dealers who sell new and used motor vehicles and engage in service, repair and parts sales. Together they employ in excess of 1,000,000 people nationwide, yet more than 60% are small businesses as defined by the Small Business Administration.

Earlier this year, NHTSA issued an advanced notice of proposed rulemaking to implement the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act's early warning reporting requirements. 66 Fed. Reg. 6532, *et seq.* (January 22, 2001). In response, NADA offers the following comments and suggestions.

The Act amended 49 U.S.C. 30166 to add a new subsection (m) governing early warning reporting. On its face, subsection (m) is limited to:

1. *Reporting by manufacturers of motor vehicles and motor vehicle equipment of information they have or have actual notice of.* It does not impose any mandate to *create, collect or record* new information.
2. *Manufacturers of motor vehicles and motor vehicle equipment.* The Act nowhere refers to *registered importers, vehicle alterers, or dealers.* It would be inappropriate (if not an outright abuse of discretion) for NHTSA to impose early warning reporting requirements *directly* on registered importers, alterers, or dealers, or even *indirectly* by requiring manufacturers to collect and report information from non-manufacturers that would not have otherwise been collected.

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NHTSA's early warning reporting requirements must respect the unique and propriety relationship that exists between vehicle manufacturer/franchisors and dealers/franchisees. For example, if NHTSA decides to require the reporting of information which is uniquely or exclusively provided by manufacturers to dealers, or by dealers to manufacturers, adequate confidentiality treatment of such information must be provided for.

On behalf of NADA, I thank you for the opportunity to comment on this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Douglas I. Greenhaus".

Douglas I. Greenhaus
Director, Environment, Health and Safety