

other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Ohio (Mr. TRAFICANT) will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

Mr. TRAFICANT. Mr. Speaker, I ask to be heard at the appropriate time on the question of whether this resolution constitutes a question of privilege.

The SPEAKER pro tempore. The Chair will do so at the appropriate time.

#### NATIONAL SALVAGE MOTOR VEHICLE CONSUMER PROTECTION ACT OF 1998

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 852) to establish nationally uniform requirements regarding the titling and registration of salvage, non-repairable, and rebuilt vehicles, as amended.

The Clerk read as follows:

S. 852

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "National Salvage Motor Vehicle Consumer Protection Act of 1998".

#### SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States Code, is amended by inserting a new chapter at the end:

#### "CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

"Sec.

"33301. Definitions.

"33302. Passenger motor vehicle titling.

"33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.

"33304. Report on funding.

"33305. Effect on State law.

"33306. Civil penalties.

"33307. Actions by States.

#### "§ 33301. Definitions

"(a) DEFINITIONS.—For the purposes of this chapter:

"(1) PASSENGER MOTOR VEHICLE.—The term 'passenger motor vehicle' has the same meaning given such term by section 32101(10), except, notwithstanding section 32101(9), it includes a multipurpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), a truck, other than a truck referred to in section 32101(10)(B), and a pickup truck when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and it only includes a vehicle manufactured primarily for use on public streets, roads, and highways.

"(2) SALVAGE VEHICLE.—The term 'salvage vehicle' means any passenger motor vehicle,

other than a flood vehicle or a nonrepairable vehicle, which—

"(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the passenger motor vehicle;

"(B) is a late model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

"(C) the owner wishes to voluntarily designate as a salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

Notwithstanding any other provision of this chapter, a State may use the term 'older model salvage vehicle' to designate a wrecked, destroyed, or damaged vehicle that does not meet the definition of a late model vehicle in paragraph (9). If a State has established or establishes a salvage definition at a lesser percentage than provided under subparagraph (A), then that definition shall not be considered to be inconsistent with the provisions of this chapter.

"(3) SALVAGE TITLE.—The term 'salvage title' means a passenger motor vehicle ownership document issued by the State to the owner of a salvage vehicle. A salvage title shall be conspicuously labeled with the word 'salvage' across the front.

"(4) REBUILT SALVAGE VEHICLE.—The term 'rebuilt salvage vehicle' means—

"(A) any passenger motor vehicle which was previously issued a salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' affixed to the driver's door jamb; or

"(B) any passenger motor vehicle which was previously issued a salvage title, has passed a State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, and has, affixed to the driver's door jamb, a decal stating 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria' in those States not requiring a safety inspection pursuant to section 33302(b)(8).

"(5) REBUILT SALVAGE TITLE.—The term 'rebuilt salvage title' means the passenger motor vehicle ownership document issued by the State to the owner of a rebuilt salvage vehicle. A rebuilt salvage title shall be conspicuously labeled either with the words 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' or 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria,' as appropriate, across the front.

"(6) NONREPAIRABLE VEHICLE.—The term 'nonrepairable vehicle' means any passenger motor vehicle, other than a flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a nonrepairable vehicle certificate and shall never again be titled or registered.

"(7) NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'nonrepairable vehicle certificate' means a passenger motor vehicle ownership document issued by the State to the owner of a nonrepairable vehicle. A nonrepairable vehicle certificate shall be conspicuously labeled with the word 'Nonrepairable' across the front.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(9) LATE MODEL VEHICLE.—The term 'Late Model Vehicle' means any passenger motor vehicle which—

"(A) has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

"(B) has a retail value of more than \$7,500.

The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

"(10) RETAIL VALUE.—The term 'retail value' means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

"(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

"(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

"(11) COST OF REPAIRS.—The term 'cost of repairs' means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

"(12) FLOOD VEHICLE.—

"(A) IN GENERAL.—The term 'flood vehicle' means any passenger motor vehicle that—

"(i) has been acquired by an insurance company as part of a damage settlement due to water damage; or

"(ii) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined—

"(I) to have no electrical, computerized or mechanical components which were damaged by water; or

"(II) to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

"(B) INSPECTION NOT REQUIRED FOR ALL FLOOD VEHICLES.—No inspection under subparagraph (A) shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of 'Flood' pursuant to this chapter.

"(C) EFFECT OF DISCLOSURE.—Disclosing a passenger motor vehicle's status as a flood

vehicle or conducting an inspection pursuant to subparagraph (A) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

“(b) CONSTRUCTION.—The definitions set forth in subsection (a) only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

**“§ 33302. Passenger motor vehicle titling**

“(a) CARRY-FORWARD OF STATE INFORMATION.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was ‘salvage’, ‘older model salvage’, ‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘nonrepairable’, ‘reconstructed’, ‘rebuilt’, or any other symbol or word of like kind, or that it has been damaged by flood, and the name of the State that issued that title.

“(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

“(1) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a salvage vehicle, a nonrepairable vehicle, a rebuilt salvage vehicle, or a flood vehicle.

“(2) Such information concerning a passenger motor vehicle’s status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

“(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

“(4) The certificate of title shall include the passenger motor vehicle make, model, body type, year, odometer disclosure, and vehicle identification number.

“(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

“(6) A passenger motor vehicle designated as nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

“(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies

with the requirements for a rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

“(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle’s damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

“(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary’s rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from which the mark or vehicle identification number has been legally removed or altered.

“(8) Any safety inspection for a rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

“(9) No duplicate or replacement title shall be issued unless the word ‘duplicate’ is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

“(10) A State shall employ the following titling and control methods:

“(A) If an insurance company is not involved in a damage settlement involving a salvage vehicle or a nonrepairable vehicle,

the passenger motor vehicle owner shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

“(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a salvage title or nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or salvage facility or other agent on its behalf with all liens released.

“(C) If an insurance company does not assume ownership of an insured’s or claimant’s passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company shall notify the owner of the owner’s obligation to apply for a salvage title or nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a salvage title or nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

“(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the lessor shall apply for a salvage title or nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

“(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a salvage or nonrepairable vehicle for which a salvage title or nonrepairable vehicle certificate has not been issued, shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

“(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a nonrepairable vehicle certificate after 2 transfers of ownership.

“(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or nonrepairable vehicle

certificate, the State of surrender shall notify the State of origin of the surrender of the title or nonrepairable vehicle certificate and of the destruction of such vehicle.

“(H) When a salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt salvage title for a passenger motor vehicle with a salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new salvage title for a salvage vehicle after a transfer of ownership.

“(I) After a passenger motor vehicle titled with a salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

“(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a rebuilt salvage title or vehicle registration, or both, by presenting to the State the salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a rebuilt salvage title or registration, or both, shall be issued to the owner. When a rebuilt salvage title is issued, the State records shall so note.

“(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written notice that the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the word ‘Flood’ shall be conspicuously labeled across the front of the new title.

“(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a flood vehicle.

“(13) Ownership of a passenger motor vehicle may be transferred on a salvage title, however, a passenger motor vehicle for which a salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

“(14) Ownership of a passenger motor vehicle may be transferred on a rebuilt salvage title, and a passenger motor vehicle for which a rebuilt salvage title has been issued may, if permitted by State law, be registered for use on the roads and highways.

“(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a non-repairable vehicle certificate. A passenger motor vehicle for which a nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

“(c) CONSUMER NOTICE IN NONCOMPLIANT STATES.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998 and not complying with the requirements of subsections (a) and (b) of this sec-

tion, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subsections (a) and (b) of this section: ‘NOTICE: This State does not conform to the uniform Federal requirements of the National Salvage Motor Vehicle Consumer Protection Act of 1998.’

“(d) ELECTRONIC PROCEDURES.—A State may employ electronic procedures in lieu of paper documents whenever such electronic procedures provide the same information, function, and security otherwise required by this section.

**“§ 33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles**

“(a) WRITTEN DISCLOSURE REQUIREMENTS.—

“(1) GENERAL RULE.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a rebuilt salvage vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written disclosure that the vehicle is a rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

“(2) FALSE STATEMENT.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

“(3) COMPLETENESS.—A person acquiring a rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

“(4) REGULATIONS.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

“(b) LABEL REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State antitheft inspection in a participating State.

“(2) REMOVAL, ALTERATION, OR ILLEGIBILITY OF REQUIRED LABEL.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

“(c) LIMITATION.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

**“§ 33304. Report on funding**

“The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

**“§ 33305. Effect on State law**

“(a) IN GENERAL.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly, appro-

riated under section 30503(c) of this title after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

“(1) set forth the form of the passenger motor vehicle title;

“(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms ‘salvage’, ‘nonrepairable’, or ‘flood’, or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

“(3) set forth titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle.

“(b) EXCEPTIONS.—

“(1) PASSENGER MOTOR VEHICLE; OLDER MODEL SALVAGE.—Subsection (a)(2) does not preempt State use of the term—

“(A) ‘passenger motor vehicle’ in statutes not related to titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle; or

“(B) ‘older model salvage’ to designate a wrecked, destroyed, or damaged vehicle that is older than a late model vehicle.

“(2) CONSUMER LAW ACTIONS.—Nothing in this chapter may be construed to affect any private right of action under State law.

“(c) CONSTRUCTION.—Additional disclosures of a passenger motor vehicle's title status or history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt national salvage title that a rebuilt national salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

**“§ 33306. Civil penalties**

“(a) PROHIBITED ACTS.—It is unlawful for any person knowingly to—

“(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

“(2) fail to apply for a salvage title when such an application is required;

“(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

“(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

“(5) offer to sell any salvage vehicle or nonrepairable vehicle as a rebuilt salvage vehicle;

“(6) fail to make any disclosure required by section 33302(b)(11);

“(7) fail to make any disclosure required by section 33303;

“(8) violate a regulation prescribed under this chapter;

“(9) move a vehicle or a vehicle title in interstate commerce for the purpose of avoiding the titling requirements of this chapter; or

“(10) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (9).

“(b) CIVIL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to \$2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

#### “§ 33307. Actions by States

“(a) IN GENERAL.—When a person violates any provision of this chapter, the chief law enforcement officer of the State in which the violation occurred may bring an action—

“(1) to restrain the violation;

“(2) recover amounts for which a person is liable under section 33306; or

“(3) to recover the amount of damage suffered by any resident in that State who suffered damage as a result of the knowing commission of an unlawful act under section 33306(a) by another person.

“(b) STATUTE OF LIMITATIONS.—An action under subsection (a) shall be brought in any court of competent jurisdiction within 2 years after the date on which the violation occurs.

“(c) NOTICE.—The State shall serve prior written notice of any action under subsection (a) or (f)(2) upon the Attorney General of the United States and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting an action, the Attorney General shall have the right—

“(1) to intervene in such action;

“(2) upon so intervening, to be heard on all matters arising therein; and

“(3) to file petitions for appeal.

“(d) CONSTRUCTION.—For purposes of bringing any action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

“(e) VENUE; SERVICE OF PROCESS.—Any action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

“(f) ACTIONS BY STATE OFFICIALS.—

“(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

“(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents.”.

(b) CONFORMING AMENDMENT.—The table of chapters for part C at the beginning of sub-

title VI of title 49, United States Code, is amended by inserting at the end the following new item:

“333. AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS ..... 33301”.

#### SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) DEFINITIONS.—

(1) Section 30501(4) of title 49, United States Code, is amended to read as follows:

“(4) ‘nonrepairable vehicle’, ‘salvage vehicle’, and ‘rebuilt salvage vehicle’ have the same meanings given those terms in section 33301 of this title.”.

(2) Section 30501(5) of such title is amended by striking “junk automobiles” and inserting “nonrepairable vehicles”.

(3) Section 30501(8) of such title is amended by striking “salvage automobiles” and inserting “salvage vehicles”.

(4) Section 30501 of such title is amended by striking paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.—

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

“(3) whether an automobile known to be titled in a particular State is or has been a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle;”.

(2) Section 30502(d)(5) of such title is amended to read as follows:

“(5) whether an automobile bearing a known vehicle identification number has been reported as a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle under section 30504 of this title.”.

(c) STATE PARTICIPATION.—Section 30503 of title 49, United States Code, is amended to read as follows:

#### “§ 30503. State participation

“(a) STATE INFORMATION.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

“(b) VERIFICATION CHECKS.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

“(1) communicating to the operator—

“(A) the vehicle identification number of the automobile for which the certificate of title is sought;

“(B) the name of the State that issued the most recent certificate of title for the automobile; and

“(C) the name of the individual or entity to whom the certificate of title was issued; and

“(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

“(c) GRANTS TO STATES.—

“(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

“(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and

“(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

“(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

“(d) REPORT TO CONGRESS.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.”.

(d) REPORTING REQUIREMENTS.—Section 30504 of title 49, United States Code, is amended by striking “junk automobiles or salvage automobiles” every place it appears and inserting “nonrepairable vehicles, rebuilt salvage vehicles, or salvage vehicles”.

#### SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIBITED SALE OF NONQUALIFYING VEHICLES FOR USE AS SCHOOLBUSES.

Section 30112 of title 49, United States Code, is amended by adding at the end thereof the following:

“(c) NOTIFICATION PROGRAM FOR DEALERS CONCERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not later than September 1, 1998, the Secretary shall develop and implement a program to notify dealers and distributors in the United States that subsection (a) prohibits the sale or delivery of any vehicle for use as a schoolbus (as that term is defined in section 30125(a)(1) of this title) that does not meet the standards prescribed under section 30125(b) of this title.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

#### GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill, S. 852, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLILEY. Mr. Speaker, I yield myself 5 minutes.

Today I rise in strong support of the bill S. 852, the National Salvage Motor Vehicle Consumer Protection Act. As many of my colleagues know, this bill is similar to legislation passed by the House at the end of the first session of this Congress, H.R. 1839, introduced by the gentleman from Washington (Mr. WHITE), a member of the Committee on Commerce.

As many of my colleagues know, I first became interested in this subject when my constituent and longtime friend, Dick Strauss, brought to my attention the problem of the hodgepodge of State definitions for salvage and rebuilt automobiles. While most automobile dealers make every effort to ensure that used cars on their lots are of the highest quality, increasingly sophisticated scam artists are using the differences in State automobile titling schemes to swindle consumers, dealers and insurers alike.

Both H.R. 1839 and this bill would require that States receiving certain Federal grants must either adopt uniform definitions and procedures for titling and salvaging rebuilt automobiles

or must inform their consumers that they do not meet Federal standards. Neither bill forces any State to change its standards, and the bill before the House gives States even more protection for standards that they view as more protective.

While the bill was in the Senate, Senator LOTT and Senator GORTON made a number of worthwhile changes to the bill. Among other provisions, S. 852 lowers the threshold for "salvage vehicles" from 80 percent to 75 percent; it allows States to use the term "older model salvage vehicle" to cover certain vehicles that might not be covered by the Federal definition; and it permits the chief law enforcement officer of a State to seek restitution for aggrieved customers. All of these changes are improvements to the bill and are contained in the legislation before the House today.

However, this legislation came back from the Senate with one provision that we could not accept, because it would render the purpose of the bill completely meaningless. In an amendment offered by several Members of the other body, the system of uniform definitions proposed by the bill was put aside, and the Federal definitions were designed as an "overlay" on top of the already confusing system of State definitions. Under the language that passed the Senate, the consumer could be confronted with two definitions of "salvage" that contradict one another, a Federal definition and a separate State definition.

That amendment represents a huge step backwards for consumers. The bill, as it passed the Senate, would only result in more confusion for consumers and a greater opportunity for criminals to further abuse the system of titling salvage vehicles. In a recent letter from the State motor vehicle officials, the officials charged with implementing the law, they described this language as "unworkable" and "serving no useful purpose, while undercutting the important goals of the bill." We cannot, in good conscience, accept this language.

However, that amendment was rooted in a legitimate concern for consumers in States that would otherwise have stricter standards for defining salvage vehicles. In order to address this concern, we have added language which will permit States to use any percentage definition for salvage vehicle that the State deems appropriate. I believe that this will go a long way in addressing the concerns raised by critics of this legislation.

Mr. Speaker, this legislation protects consumers by striking a balance. It vastly improves the status quo by giving consumers, dealers, and State officials notice about the status of vehicles that have been totaled by accident or flood. Today, the patchwork of 50 different State laws ensures that no State can adequately protect its own citizens. This legislation changes that situation for the better, and I strongly support its passage.

In closing, I want to recognize the gentleman from Washington (Mr. WHITE) for all his hard work in moving this legislation in both the 104th and the 105th Congresses. The majority leader of the other body also deserves high praise for his dedication to this issue.

I urge all my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise with significant concerns about the bill before us this afternoon. S. 852, authored by Senator LOTT, is the companion bill to H.R. 1839, introduced by the gentleman from Washington (Mr. WHITE). I opposed this bill when it originally left the House, and I oppose it again today.

Mr. Speaker, this legislation ought to be crafted in a way that establishes a high level of consumer protection, while allowing States to provide additional protections for their citizens. This bill does not achieve that goal, and it has a number of problems.

The sale of rebuilt, wrecked or totaled vehicles, and just so those who may be watching or listening to this debate understand what we are talking about, it is that category of cars that have been totaled. That is what we call it in Boston. I do not know what other parts of the country may call it when a car is in such a wreck that it essentially costs more money to repair it than it does to junk it, but in Boston we call it a totaled car. Well, that is what this legislation deals with, that category of cars that have been totaled.

We believe that there is substantial risk of death, or disability, or personal injury or financial ruin to large numbers of people, and that this bill ought not to pass. It is not that an effort has not been undertaken or that has not consumed a huge amount of time. It has. It is that, at the end of the day, the bill does not achieve the goal which was sought.

For example, I continue to have concerns that the different definition in the bill of a late-model vehicle is overly narrow. This legislation would exempt sellers of cars of models over 6 years old and worth less than \$7,500 from having to disclose accident damage. The Department of Transportation tells us that the average car in America is 8 years old. And so the fleet of automobiles that is going to be potentially exempted under the provision of this bill is huge.

It would seem to me that even if one wanted to preempt the States, that one would at least want to cover the average car on the road, at least cars that are 8 years old. Now, it seems, I think to a lot of people, somewhat of a surprise that the average car is 8 years of age, but that is the reality. These cars are the ones most likely to be those on used car lots and most likely to be safety threats to our citizens.

Although this legislation gives States some flexibility in limited fashion to change the percentage, I am still concerned about it, because it would have the effect of preempting vital consumer protection laws for all used car buyers at each State that opts into the Federal titling plan.

The bill also requests the Department of Transportation to issue national regulations and standards relating to title granting, but it does not contain any money to help the States to implement it. There is no adequate enforcement provision. No private right of action is contained in the bill. An individual cannot sue themselves. With all the pressing cases that they have, relying upon United States attorneys to take a used car dealer to court for allegedly misbranding a title of any car is a false hope for any consumer in our country.

□ 1530

We need a private right of action, so that if someone misbrands a title or omits vital information, a consumer can then take them to court to seek redress.

When this motor vehicle salvage bill passed the House earlier in this Congress, I expressed the hope that we could improve the bill authored by the gentleman from Washington (Mr. WHITE) to make it satisfactory from a consumer perspective as the process moved forward in the Senate and in our conversations with the other body, and the Senate actually approved this motor vehicle salvage bill recently, adopting a pro-consumer amendment offered by Senators LEVIN and FEINSTEIN. This amendment ensures that States could go further and protect consumers even more. Unfortunately, the very changes that improved the bill in the Senate and started to make it consumer friendly are being deleted from the bill before us today. Rather than working with those of us who had problems with the bill, this bill is being brought to the floor with these consumer protections and State authority provisions being summarily dropped. In short, Members are being asked to pass a bill to protect consumers that lacks the support of the national consumer groups and the State attorneys general.

In its current form, this bill is opposed by the Consumer Federation of America, opposed by the Center for Auto Safety, opposed by Public Citizen, opposed by the National Association of Consumer Advocates, opposed by U.S. PIRG, opposed by the Consumers Union. How on earth can this bill be characterized as a pro-consumer bill if all the large, national consumer groups strongly oppose its passage? I urge Members to oppose this bill, Mr. Speaker.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Virginia would like to ask the gentleman from Massachusetts if totaled,

is that what happened to the BC Eagles last night against the Virginia Tech Gobblers?

Mr. MARKEY. If the gentleman will yield, Mr. Speaker, exactly. The Virginia Tech football team totaled the BC football team, in the same way that the Cleveland Indians totaled the Red Sox last week. I do not think either a football team or a baseball team ought to be allowed back out on the field without some kind of warning to fans in Boston that they could be engaging in activity very dangerous to their psychic health.

Mr. BLILEY. I thank the gentleman for his response.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. WHITE), the chief author of this bill.

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding time, and I am happy to know that the gentleman from Massachusetts, even if he does not support this bill for a totaled car, he would support it for a totaled athletic team. I appreciate that very much.

Mr. Speaker, this is a good bill that does a very simple thing. It simply requires the States to disclose to consumers if the car they are buying has been totaled. Now, this bill is also proof that nothing is easy to get done in this particular institution, because with massive support from the House, we had a vote of 336-72 when this was passed almost a year ago, and with massive support even 2 years prior to that in the last Congress, this bill has still been tied up in the Senate until just recently, for almost a 3-year period of time.

They finally sent it back to us just this week with some minor changes except in one case. As the chairman described to us earlier, they added an amendment that would allow for dual definitions of what a salvage vehicle is. I agree with the chairman wholeheartedly that that would just lead to confusion, it would be a big mistake, and so I totally support his amendment to take those dual definitions out and simplify this bill so that it accomplishes the purpose that we were trying to accomplish. But with the manager's amendment, this is a good bill. It deserves our support, just as it did before.

If I might just respond to a couple of quick things that the gentleman from Massachusetts said.

Number one, I want to assure him that in Seattle we refer to these cars in a very similar way that he does. We refer to them as a totaled car. I understand in Boston they are referred to as a totaled "caah" but it is a very similar thing. I think we are dealing with the same issue.

I also want to remind the gentleman, as we discussed when we talked about this bill earlier, the problem with older cars is one of striking a balance. If a car is too old and it sustains damage, for example, to the sunroof, you might find yourself in a situation where a damaged sunroof totals more than 75

percent of the value of the car. We do not want a car with a damaged sunroof to be considered totaled. So we tried to find a balance where older cars were included but only to a point where minor cosmetic damage would not require them to be considered a salvage vehicle.

With that, Mr. Speaker, I would simply urge my colleagues to vote in favor of this bill.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in Boston when a car has been totaled we assume that car is not going to go back out on the road again. Now, in Washington State they have a different relationship with these vehicles. They try to rehabilitate them, put that chassis back on top of the wheels again and get it back out on the road. We appreciate that. It is something that would not raise that big of an issue if all we were talking about is the sunroof that was being repaired, or if it was the internal upholstery that needed to be redone. But while it may include those repairs in the definition of being totaled, meaning that it would cost that much money in order to repair something and it exceeded the cost of the vehicle in its present condition, it could also include the fact that the steering wheel had come off in someone's hands as they were trying to turn left and the vehicle went right. It could mean that the entire chassis had been knocked off of the wheels, the axles of the car. It could mean a lot of other things. And under this legislation, the consumer would not be told that the wheel had come off in the last owner's hands, that the chassis had been knocked off of the axles and now been put back on, very carefully, but without notifying the subsequent purchaser that there might have been a problem.

Now, you say what are we talking about? Well, since the average car is 8 years old, I went to Kelley's blue book on the Internet to find some cars that will not get any protection at all. Let us look at what we can find in the blue book of Kelley's on the Internet.

Here we go. We got a 1990 Ford Escort LX hatchback, 2D, only 20,000 miles, air conditioning, power steering, only cost you \$2125. You can buy this car right now, a 1990 car. Anyone interested? No warning. We do not know what has ever happened to that car, if it was totaled.

How about a 1990 Chevrolet Camaro RS, convertible, 2D. If Congress does not get a raise, a lot of Members are going to be looking at cars like this. 75,000 miles, air conditioning, power steering, power windows, tilt wheel, AM-FM stereo/cassette, \$5280. Do not know where it has been, do not know if it got totaled and if it did get totaled, they are not telling you. They are going to tell you that they just put in some nice upholstery. "Doesn't it look nice? We got a nice shine on the outside of the car."

How about this one: 1990 BMW. Always wanted to get one of those foreign

jobs? Here it is. A 325i sedan, 2D, air conditioning, power steering; \$7,075. Been totaled, but you are not going to be told that when you buy it. You buy it as is. They are not even going to tell you it was totaled.

How about a 1990 Cadillac DeVille, in the mind's eye of every American the dream car. It is \$6825, air conditioning, power steering, consumer-rated, condition excellent. Excellent. Who rated it? Have they been told that it was totaled? Do not have to tell anyone it has been totaled.

I could go on and on, right down to I am sure a car that a lot of people would be interested in, the 1990 Jaguar XJ6 sedan, \$5675. 1990. Air conditioning, power steering. Totaled. But they do not have to tell you that when you buy it. They are telling you this is a beauty. "Want to take it for a spin around the block? Great. No, you don't have to take it out on the highway. I promise you. Great car."

Well, ladies and gentlemen, this bill does not give the consumer the information, the knowledge which they need. I think we should reject it at this time and try to improve it next year. We are going to be trying to do a lot of that in the next session of Congress. I would hope at this point that all Members listening understand the real danger to consumers, to drivers on the road, not only those in the car but those in other cars on the road that the driver of the vehicle does not understand the potentially dangerous conditions under which he is operating.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. I thank the gentleman for yielding time.

Actually, I was off doing other work; but in listening to this debate on the floor, I thought that perhaps someone ought to come to the floor who as an avocation understands something about cars, since this discussion was fairly obvious to anyone who understands anything about cars that some of the folks who were carrying on the discussion knew nothing about them.

First of all, in today's passenger market if, in fact, you have a separate chassis you are almost always talking about a truck, you are not talking about a car. Cars tend to be unibody or just have a subassembly which is up front. The gentleman used an example of a 1990 BMW 325. That is probably a 325-I, which is their small car, that at 7,075 is a typical price for that car.

I would tell the gentleman if that car, according to an insurance company, was totaled, if you wanted to talk about the front end, your radiator would be about \$300, your subsuspension, just the lower A arm is \$194. I know. I just bought one about 2 months ago for my daughter's car. You begin adding up the bumper pieces and the rest, you will have spent \$3,000 to \$4,000 on a relatively minor 20-mile-per-hour wreck.

The description of the gentleman on the automobiles, and I will tell you, on an XJ6 1990, one of the problems with those automobiles, Jaguars, was that you would almost spend that much tuning the car up, let alone dealing with any of the mechanical problems with the car.

The point is, the gentleman's examples simply do not exist in the real world where economics control what you do and what you do not do. I am sympathetic with the gentleman indicating that when a car has been totaled, people ought to be notified. We need to deal with a reasonableness notification. I believe that the current limits of \$7,500 and the model year makes some sense.

However, in the bill on page 10, if, in fact, the State wants to go beyond that and deal with an older model that has been salvaged, you can certainly do that. But if we are going to debate this, one of the things we ought not to do is to, with a considerable amount of time being consumed, let other people know exactly what we do not know about the subject matter that we are discussing.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume. I appreciate the comments of the gentleman from California. He is without question a quintessential used car salesman.

I appreciate the knowledge that he has about this subject, but the lecturing tone that he gives on this subject, well, is one where every American feels as though they are an expert on automobiles, and the younger you are, the more you feel as though you are an expert on used cars.

I personally as a former owner of at least eight or 10 used cars stand here as much of an expert as anyone may in terms of the representations that were made by the previous owner to me. Now, you might say that it was kind of foolish of me to put down money for cars that ultimately I wound up paying in repair bills at least triple the cost of that car, but I think many Americans share the same circumstances that I have.

□ 1545

I know it is not rational, I know that is not the way the real world should work, and I wish I did not meet some of the people from whom I got their used cars, but nonetheless they are out there, and these used car salesmen with a straight face try to convince people that they are doing them a favor. And all we are saying here is that there is a certain caveat emptor that should exist in the marketplace when it comes to cars that have not been totaled, but if they have been totaled, then there is an additional safety risk. And to the extent that public health and safety is at risk, then people should be told that that additional component is included in the price of the automobile. That is all we are really saying.

Mr. Speaker, I again reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Speaker, I want to thank the chairman of our committee, the gentleman from Virginia (Mr. BLILEY), who has led us so well this season, and to commend my friend, the gentleman from Washington (Mr. WHITE), for this legislation. I must tell my friend from Massachusetts that whenever we mix politicians and used car salesmen, we are certainly begging for a lot of trouble here. It is like Thunderbirds of a feather flying together, I suppose.

But this is a good bill. This bill, the National Salvage Motor Vehicle Consumer Protection Act, may not indeed rise to the level of importance of health care or telecommunications policy, but it is very important legislation. The bill simply protects consumers, and it protects legitimate automobile dealers, and it protects others from the fraud artists who would try to pawn off stolen or unsafe cars on those who have no way of knowing better. For the first time it will close the numerous loopholes created by 50 separate State salvage laws that have literally permitted car thieves to get away with murder.

This legislation is just as important to the used car consumer as the Telecommunications Act was important to consumers of phone service, and like the Telecommunications Act, we needed to carefully balance the needs of consumers and the needs of people in the business. We had to balance greater consumer disclosure against the effect their title brand might have both on the value of a vehicle and the cost to insure that vehicle, and we had to balance the need for consistent terms and procedures in titling vehicles against the State's right to maintain its sovereignty, and we needed to balance the need to maintain current business practices against the benefits of improved consumer disclosure.

As we passed the bill at the end of last session, Congress attempted to strike that balance, and the gentleman from Washington spent 2 years working with our committee and all the interested outside groups to address all the issues raised in our many hearings and discussions, and while I am proud of our work then, the bill before the House today actually reflects additional efforts made to accommodate the critics of the legislation.

For example, legislation before the House today tells States that if they accept Federal funds to upgrade the computer systems in their DMVs, that they are under an obligation to either adopt the uniform procedures in this bill or to tell their consumers that they may be purchasing a car with a checkered past. Either way the present situation is improved because consumers are on notice that there may be a potential problem.

If a State adopts all of the procedures outlined in the legislation, a consumer

is notified in no fewer than four different ways as to the status of the vehicle. And even more importantly, consumers in other States have notice about the vehicle's status as well. This is a vast improvement over the status quo.

Now, some of the critics of the legislation will argue that the thresholds of the bill are too high or they do not include enough cars in the definitions, so this bill addresses those concerns. It allows the States to set whatever percentage threshold they deem appropriate for defining a salvaged vehicle and allows our States to provide greater disclosures by allowing them to brand certain vehicles as, quote, older model salvaged vehicles, unquote. It even struck the prohibition on the use of certain other terms to describe salvaged vehicles. This bill represents a significant effort to address the concerns of the critics of the House-passed proposal.

So I would like to take this opportunity again to commend the gentleman from Washington and the Majority Leader of the Senate for their hard work on this legislation. They have both labored to try and include the suggestions of as many parties as possible and to even accommodate the interests of some who may not be squarely in favor of this approach, including some consumer advocates and some of our friends in the minority. They both deserve to be commended for their efforts.

In closing, Mr. Speaker, the bill of the gentleman from Washington (Mr. WHITE) represents a strong step forward for used car consumers. I strongly support the bill and urge our colleagues to do likewise.

Mr. MARKEY. Mr. Speaker, I yield myself as much time as I may consume just to conclude by saying that if the bill does not cover the average car on the road, then the bill simply does not go far enough.

Again, it cannot be a consumer bill if every major consumer group in America is opposed to the bill.

In conclusion, the gentleman from Michigan (Mr. DINGELL) would like it to be noted that he is against this bill, and I do not think there is anyone who has ever served in this House who knows more about automobiles than Mr. DINGELL. And Mr. DINGELL, if my colleagues look up the word "automobile" in the dictionary, Mr. DINGELL's picture is next to it. I do not think anybody in this body questions that. He thinks this is a bad bill, and I am relying upon the good sense and good judgment of Mr. DINGELL on this issue, hoping that the Members will also vote no.

Mr. Speaker, I yield back the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say to my friend from Boston, if the Massachusetts Motor Vehicle Department and the Massachusetts Legislature wants to extend this to older vehicles, they have every right to do so.

I would also say that with the objection of the gentleman from Massachusetts (Mr. MARKEY) and the gentleman from Michigan (Mr. DINGELL), the bill passed pretty much as is 336 to 72 the last time around.

With that I urge adoption of the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the Senate bill, S. 852, as amended.

The question was taken.

Mr. MARKEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### INTERNATIONAL ANTI-BRIBERY AND FAIR COMPETITION ACT OF 1998

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4353) to amend the Securities Exchange Act of 1934 and the Foreign Corrupt Practices Act of 1977 to improve the competitiveness of American business and promote foreign commerce, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4353

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "International Anti-Bribery and Fair Competition Act of 1998".

##### SEC. 2. AMENDMENTS TO THE FOREIGN CORRUPT PRACTICES ACT GOVERNING ISSUERS.

(a) PROHIBITED CONDUCT.—Section 30A(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1(a)) is amended—

(1) by amending subparagraph (A) of paragraph (1) to read as follows:

"(A)(i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage; or";

(2) by amending subparagraph (A) of paragraph (2) to read as follows:

"(A)(i) influencing any act or decision of such party, official, or candidate in its or his official capacity, (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or (iii) securing any improper advantage; or"; and

(3) by amending subparagraph (A) of paragraph (3) to read as follows:

"(A)(i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, (ii) inducing such foreign official, po-

litical party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or (iii) securing any improper advantage; or".

(b) OFFICIALS OF INTERNATIONAL ORGANIZATIONS.—Paragraph (1) of section 30A(f) of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1(f)(1)) is amended to read as follows:

"(1)(A) The term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.

"(B) For purposes of subparagraph (A), the term 'public international organization' means—

"(i) an organization that is designated by Executive order pursuant to section 1 of the International Organizations Immunities Act (22 U.S.C. 288); or

"(ii) any other international organization that is designated by the President by Executive order for the purposes of this section, effective as of the date of publication of such order in the Federal Register.".

(c) ALTERNATIVE JURISDICTION OVER ACTS OUTSIDE THE UNITED STATES.—Section 30A of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1) is amended—

(1) by adding at the end the following:

"(g) ALTERNATIVE JURISDICTION.—

"(1) It shall also be unlawful for any issuer organized under the laws of the United States, or a State, territory, possession, or commonwealth of the United States or a political subdivision thereof and which has a class of securities registered pursuant to section 12 of this title or which is required to file reports under section 15(d) of this title, or for any United States person that is an officer, director, employee, or agent of such issuer or a stockholder thereof acting on behalf of such issuer, to corruptly do any act outside the United States in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any of the persons or entities set forth in paragraphs (1), (2), and (3) of subsection (a) of this section for the purposes set forth therein, irrespective of whether such issuer or such officer, director, employee, agent, or stockholder makes use of the mails or any means or instrumentality of interstate commerce in furtherance of such offer, gift, payment, promise, or authorization.

"(2) As used in this subsection, the term 'United States person' means a national of the United States (as defined in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101)) or any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship organized under the laws of the United States or any State, territory, possession, or commonwealth of the United States, or any political subdivision thereof.".

(2) in subsection (b), by striking "Subsection (a)" and inserting "Subsections (a) and (g)"; and

(3) in subsection (c), by striking "subsection (a)" and inserting "subsection (a) or (g)".

(d) PENALTIES.—Section 32(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(c)) is amended—

(1) in paragraph (1)(A), by striking "section 30A(a)" and inserting "subsection (a) or (g) of section 30A";

(2) in paragraph (1)(B), by striking "section 30A(a)" and inserting "subsection (a) or (g) of section 30A"; and

(3) by amending paragraph (2) to read as follows:

"(2)(A) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who willfully violates subsection (a) or (g) of section 30A of this title shall be fined not more than \$100,000, or imprisoned not more than 5 years, or both.

"(B) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates subsection (a) or (g) of section 30A of this title shall be subject to a civil penalty of not more than \$10,000 imposed in an action brought by the Commission.".

##### SEC. 3. AMENDMENTS TO THE FOREIGN CORRUPT PRACTICES ACT GOVERNING DOMESTIC CONCERNS.

(a) PROHIBITED CONDUCT.—Section 104(a) of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2(a)) is amended—

(1) by amending subparagraph (A) of paragraph (1) to read as follows:

"(A)(i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage; or";

(2) by amending subparagraph (A) of paragraph (2) to read as follows:

"(A)(i) influencing any act or decision of such party, official, or candidate in its or his official capacity, (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or (iii) securing any improper advantage; or"; and

(3) by amending subparagraph (A) of paragraph (3) to read as follows:

"(A)(i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, (ii) inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or (iii) securing any improper advantage; or".

(b) PENALTIES.—Section 104(g) of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2(g)) is amended—

(1) by amending subsection (g)(1) to read as follows:

"(g)(1)(A) PENALTIES.—Any domestic concern that is not a natural person and that violates subsection (a) or (i) of this section shall be fined not more than \$2,000,000.

"(B) Any domestic concern that is not a natural person and that violates subsection (a) or (i) of this section shall be subject to a civil penalty of not more than \$10,000 imposed in an action brought by the Attorney General."; and

(2) by amending paragraph (2) to read as follows:

"(2)(A) Any natural person that is an officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such domestic concern, who willfully violates subsection (a) or (i) of this section shall be fined not more than \$100,000 or imprisoned not more than 5 years, or both.

"(B) Any natural person that is an officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such domestic concern, who violates subsection (a) or (i) of this section shall be subject to a civil penalty of not more than \$10,000 imposed in an action brought by the Attorney General.".

(c) OFFICIALS OF INTERNATIONAL ORGANIZATIONS.—Paragraph (2) of section 104(h) of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2(h)) is amended to read as follows: