

AMENDING CHAPTER 301 OF TITLE 49, UNITED STATES CODE, TO ESTABLISH A NATIONAL TIRE FUEL EFFICIENCY CONSUMER INFORMATION PROGRAM, AND FOR OTHER PURPOSES

JUNE 28, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BARTON of Texas, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 5632]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 5632) to amend Chapter 301 of title 49, United States Code, to establish a national tire fuel efficiency consumer information program, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

Amendment	Page 1
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	3
Committee Consideration	3
Committee Votes	3
Committee Oversight Findings	3
Statement of General Performance Goals and Objectives	3
New Budget Authority, Entitlement Authority, and Tax Expenditures	3
Committee Cost Estimate	4
Congressional Budget Office Estimate	4
Federal Mandates Statement	5
Advisory Committee Statement	6
Constitutional Authority Statement	6
Applicability to Legislative Branch	6
Section-by-Section Analysis of the Legislation	6
Changes in Existing Law Made by the Bill, as Reported	7

AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. TIRE FUEL EFFICIENCY CONSUMER INFORMATION.

(a) IN GENERAL.—Chapter 301 of title 49, United States Code, is amended by inserting after section 30123 the following new section:

“§ 30123A. Tire Fuel Efficiency Consumer Information

“(a) RULEMAKING.—(1) Not later than 18 months after the date of enactment of this section, the Secretary of Transportation shall, after notice and opportunity for comment, promulgate rules establishing a national tire fuel efficiency consumer information program for tires designed for use on motor vehicles to educate consumers about the effect of tires on automobile fuel efficiency.

“(2) The rulemaking shall include each of the following:

“(A) A national tire fuel efficiency rating system for motor vehicle tires to assist consumers in making more educated tire purchasing decisions.

“(B) Requirements for providing information to consumers, including information at the point of sale and other potential information dissemination methods, including the internet.

“(C) Specifications for test methods for manufacturers to use in assessing and rating tires to avoid variation among test equipment and manufacturers.

“(D) A national tire maintenance consumer education program including, information on tire inflation pressure, alignment, rotation, and tread wear to maximize fuel efficiency.

“(3) This section shall not apply to tires excluded from coverage under section 575.104(c) of title 49, Code of Federal Regulations, as in effect on date of enactment of this section.

“(b) CONSULTATION.—The Secretary shall consult with the Secretary of Energy and the Administrator of the Environmental Protection Agency on the means of conveying tire fuel efficiency consumer information.

“(c) REPORT TO CONGRESS.—The Secretary shall conduct periodic assessments of the rules promulgated under this section to determine the utility of such rules to consumers, the level of cooperation by industry, and the contribution to national goals pertaining to energy consumption. The Secretary shall transmit periodic reports detailing the findings of such assessments to the Energy and Commerce Committee of the House of Representatives and the Commerce, Science, and Transportation Committee of the Senate.

“(d) TIRE MARKING.—The Secretary shall not require permanent labeling of any kind on a tire for the purpose of tire fuel efficiency information.

“(e) PREEMPTION.—Nothing in this section shall prohibit a State or political subdivision of a State from enforcing a law or regulation on tire fuel efficiency consumer information in effect on January 1, 2006. After a requirement under this section is in effect, a State or political subdivision of a State may adopt or enforce a law or regulation on tire fuel efficiency consumer information enacted after January 1, 2006, only if the law or regulation is identical to that requirement. Nothing in this section shall be construed to preempt a State or political subdivision of a State from regulating the fuel efficiency of tires not otherwise preempted under this chapter.”.

(b) ENFORCEMENT.—Section 30165(a) of such chapter is amended by adding at the end the following:

“(4) SECTION 30123A.—Any person who fails to comply with the national tire fuel efficiency consumer information program under section 30123A is liable to the United States Government for a civil penalty of not more than \$50,000 for each violation.”.

(c) TABLE OF CONTENTS.—The table of contents for chapter 301 of title 49, United States Code, is amended by adding the following new item after the item relating to section 30123:

“30123A. Tire fuel efficiency consumer information.”.

PURPOSE AND SUMMARY

The purpose of H.R. 5632 is to establish a national tire fuel efficiency consumer information campaign to educate consumers about the effect of replacement tires on automobile fuel efficiency.

BACKGROUND AND NEED FOR LEGISLATION

Tires affect vehicle fuel economy mainly through “rolling resistance.” The more surface area of a tire that makes contact with the road creates more friction, which creates more resistance, decreas-

ing fuel economy. Therefore, properly inflated tires achieve less rolling resistance and higher fuel economy than under inflated ones.

Every year Americans spend approximately \$20 billion replacing some 200 million passenger tires. Motorists choose among tires varying in price, style, and many aspects of performance. The tires they purchase will affect not only the handling, traction, ride comfort, and appearance of their cars, but also the fuel economy.

According to a 2006 National Academy of Sciences report, a 10 percent reduction in average rolling resistance, if achieved for the population of passenger vehicles using replacement tires, could produce a 1 to 2 percent increase in the fuel economy of these vehicles. About 80 percent of passenger cars and light trucks are equipped with replacement tires. Holding the number of miles traveled constant, a 1 to 2 percent increase in the fuel economy of these vehicles would save approximately 1 to 2 billion gallons of fuel per year of the 130 billion gallons consumed by the entire passenger vehicle fleet. This fuel savings is equivalent to the fuel saved by taking 2 million to 4 million cars and light trucks off the road.

Today, however, consumers have little, if any, convenient way of determining how tire choices can affect vehicle fuel economy. H.R. 5632 would remedy that problem by creating a national tire fuel efficiency campaign to educate consumers about the fuel efficiency qualities of different replacement tires.

HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On Tuesday, June 20, 2006, the Committee on Energy and Commerce met in open markup session and ordered H.R. 5632 reported to the House, amended, by a voice vote, a quorum being present.

COMMITTEE VOTES

There were no record votes taken in connection with ordering H.R. 5632 reported. A motion by Mr. Barton to order H.R. 5632 reported to the House, amended, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goal of H.R. 5632 is to establish a national tire fuel efficiency consumer information campaign to educate consumers about the effect of replacement tires on automobile fuel efficiency.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 5632,

would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

JUNE 23, 2006.

Hon. JOE BARTON,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5632, a bill to amend chapter 301 of title 49, United States Code, to establish a national tire fuel efficiency consumer information program, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Gregory Waring (for Federal costs), Lisa Ramirez-Branum (for the State and local impact), and Craig Cammarata (for the impact on the private sector).

Sincerely,

DONALD B. MARRON,
Acting Director.

Enclosure.

H.R. 5632—A bill to amend chapter 301 of title 49, United States Code, to establish a national tire fuel efficiency consumer information program, and for other purposes

CBO estimates that implementing H.R. 5632 would have no significant impact on federal spending. Enacting the bill would not affect direct spending, and would have an insignificant impact on revenues.

Under the bill, the Secretary of Transportation would require tire manufacturers to inform consumers about the effects of tire maintenance on a vehicle's fuel economy. In addition, the Secretary would create a fuel efficiency rating system for tires and set uniform testing procedures for tire manufacturers to rate the fuel efficiency of their products.

The National Highway Traffic Safety Administration (NHTSA), within the Department of Transportation, regulates and tests vehicles and equipment for highway safety and administers a fuel economy program. Based on the cost of NHTSA's automotive safety regulations program, CBO estimates that implementing the new tire rating program would cost about \$3 million over the 2007–2011 period, assuming the availability of appropriated funds. CBO estimates that any fines assessed on tire manufacturers for noncompliance would not have a significant impact on federal revenues.

H.R. 5632 would preempt state and local authority to implement their own consumer information laws or regulations on fuel efficiency of tires; that preemption constitutes an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates, however, that the preemption would impose insignificant additional costs on state, local, or tribal governments that would be well below the threshold established in UMRA (\$64 million in 2006, adjusted annually for inflation).

H.R. 5632 would impose private-sector mandates, as defined in UMRA, on manufacturers and retailers of motor vehicle tires. Based on information from government and industry sources, CBO estimates that the total direct cost of those mandates would fall below the annual threshold established by UMRA for private-sector mandates (\$128 million in 2006, adjusted annually for inflation).

The bill would direct the Secretary of Transportation to implement rules regarding a national fuel efficiency rating system for tires and the specifications for test methods that manufacturers must use in assessing and rating the fuel efficiency of tires. According to industry sources, the implementation costs for manufacturers associated with testing and rating tires could amount to about \$35 million to cover the cost of capital investment in equipment, testing existing products, and the administrative cost of setting up compliance systems. In the year following implementation, industry sources estimate that the annual ongoing costs of compliance would fall significantly.

The bill also would require tire retailers to provide consumers with information on the fuel efficiency rating of motor vehicle tires at the point of sale. The requirements of the mandate would depend upon future decisions made by the Secretary of Transportation during the rulemaking process. Industry and government sources suggest, however, that retailers may likely be required to provide information brochures to consumers or display some form of signage at the point of sale. According to industry sources, there are about 40,000 tire retail outlets that may have to distribute information about the tire efficiency of tens of thousands of models of tire products. Further, those sources indicate that brochures could cost as much as 10 cents per copy. Because of the uncertainty regarding the future rulemaking by the Secretary, CBO cannot determine the cost of the mandate. Based on information from industry and government sources, however, CBO expects the costs of this mandate would be small relative to the annual threshold established by UMRA.

The CBO staff contacts for this estimate are Gregory Waring (for Federal costs), Lisa Ramirez-Branum (for the state and local impact), and Craig Cammarata (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Tire Fuel Efficiency Consumer Information.

Section 1(a) creates a new section 30123A in Chapter 301 of title 49.

“Section 30123A. Tire Fuel Efficiency Consumer Information.”

New section 30123A(a) requires the Secretary of Transportation (the Secretary) to create rules establishing a national tire fuel efficiency consumer information program for replacement tires used on motor vehicles. The rule must include (a) a national rating system for tires to assist consumers in making more educated purchasing decisions; (b) requirements for providing information to consumers, including at the point of sale and other dissemination methods; (c) specifications for test methods for tire manufacturers to use in assessing and rating tires; and (d) a national tire maintenance consumer education campaign, including tire inflation pressure, alignment, rotation, and tread wear. This rule shall not apply to tires excluded from coverage under 49 C.F.R. 575.104(c).

New section 30123A(b) requires the Secretary to consult with the Secretary of Energy and the Administrator of the Environmental Protection Agency on the means of conveying tire fuel efficiency consumer information.

New section 30123A(c) requires the Secretary to periodically report to Congress on the utility of the tire fuel efficiency consumer information rules, the level of cooperation with the tire manufacturing industry, and the contribution of the rules to the national goals for reducing energy consumption.

New section 30123A(d) prohibits the Secretary from requiring any permanent labeling on tires for the purpose of conveying tire fuel efficiency information.

New section 30123A(e) prohibits a State or political subdivision of a State from adopting or enforcing any law or regulation on tire fuel efficiency consumer information not in effect as of January 1, 2006, that is not identical to the Department’s rule. This language would exempt from preemption the 2003 California law that requires the California Energy Commission to develop a comprehensive tire energy efficiency program. This language in new section

30123A(e) only preempts rating and consumer education programs. It does not preempt any State from regulating the fuel efficiency of tires not otherwise preempted under Chapter 301.

Section 1(b) amends section 30165(a) to include a civil penalty for failure to comply with the national tire fuel efficiency consumer information program of not more than \$50,000 per violation.

Section 1(c) amends the table of contents.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CHAPTER 301 OF TITLE 49, UNITED STATES CODE

CHAPTER 301—MOTOR VEHICLE SAFETY

SUBCHAPTER I—GENERAL

Sec.

30101. Purpose and policy.

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SUBCHAPTER II—STANDARDS AND COMPLIANCE

30111. Standards.

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30123A. Tire fuel efficiency consumer information.

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SUBCHAPTER II—STANDARDS AND COMPLIANCE

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§ 30123A. Tire Fuel Efficiency Consumer Information

(a) *RULEMAKING.*—(1) *Not later than 18 months after the date of enactment of this section, the Secretary of Transportation shall, after notice and opportunity for comment, promulgate rules establishing a national tire fuel efficiency consumer information program for tires designed for use on motor vehicles to educate consumers about the effect of tires on automobile fuel efficiency.*

(2) *The rulemaking shall include each of the following:*

(A) *A national tire fuel efficiency rating system for motor vehicle tires to assist consumers in making more educated tire purchasing decisions.*

(B) *Requirements for providing information to consumers, including information at the point of sale and other potential information dissemination methods, including the internet.*

(C) *Specifications for test methods for manufacturers to use in assessing and rating tires to avoid variation among test equipment and manufacturers.*

(D) *A national tire maintenance consumer education program including, information on tire inflation pressure, alignment, rotation, and tread wear to maximize fuel efficiency.*

(3) *This section shall not apply to tires excluded from coverage under section 575.104(c) of title 49, Code of Federal Regulations, as in effect on date of enactment of this section.*

(b) *CONSULTATION.—The Secretary shall consult with the Secretary of Energy and the Administrator of the Environmental Protection Agency on the means of conveying tire fuel efficiency consumer information.*

(c) *REPORT TO CONGRESS.—The Secretary shall conduct periodic assessments of the rules promulgated under this section to determine the utility of such rules to consumers, the level of cooperation by industry, and the contribution to national goals pertaining to energy consumption. The Secretary shall transmit periodic reports detailing the findings of such assessments to the Energy and Commerce Committee of the House of Representatives and the Commerce, Science, and Transportation Committee of the Senate.*

(d) *TIRE MARKING.—The Secretary shall not require permanent labeling of any kind on a tire for the purpose of tire fuel efficiency information.*

(e) *PREEMPTION.—Nothing in this section shall prohibit a State or political subdivision of a State from enforcing a law or regulation on tire fuel efficiency consumer information in effect on January 1, 2006. After a requirement under this section is in effect, a State or political subdivision of a State may adopt or enforce a law or regulation on tire fuel efficiency consumer information enacted after January 1, 2006, only if the law or regulation is identical to that requirement. Nothing in this section shall be construed to preempt a State or political subdivision of a State from regulating the fuel efficiency of tires not otherwise preempted under this chapter.*

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SUBCHAPTER IV—ENFORCEMENT AND ADMINISTRATIVE

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§ 30165. Civil penalty

(a) *CIVIL PENALTIES.—*

(1) * * *

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(4) *SECTION 30123A.—Any person who fails to comply with the national tire fuel efficiency consumer information program under section 30123A is liable to the United States Government for a civil penalty of not more than \$50,000 for each violation.*

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