

2008 SAE Government/Industry Meeting

Recommended Guidance and Best Importer Practices to Enhance the Safety of Imported Motor Vehicles and Motor Vehicle Equipment



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May 12, 2008



Safety of Imported Products



- The Interagency Working Group
 - Established on July 18, 2007 by the President
 - DOT Participated
 - September 2007 Report - Strategic Framework
 - Identified strategies that could be pursued to promote the safety of imported products
 - Importers are responsible for safety of products they import
 - November 2007 Report - Action Plan
 - One recommendation: Federal agencies work with the importing community to develop best importer practices

NHTSA's Objectives



- 1) Convey to Importers their Obligations under Motor Vehicle Safety Statutes and Regulations
- 2) Urge Importers to Exercise Great Care in Selecting Foreign Manufacturers
- 3) Recommend that Importers Inspect Foreign Manufacturing Facilities
- 4) Recommend that Importers Inspect Goods Either Before They Are Exported to or Distributed in the U.S.
- 5) Recommend that Importers Identify the Origin of Products to be Imported
- 6) Urge Importers to Establish a Consumer Service Program
- 7) Recommend that Importers Contact NHTSA Concerning Self Certification, Compliance, and Defect Issues

Convey to Importers their Obligations under Motor Vehicle Safety Statutes and Regulations



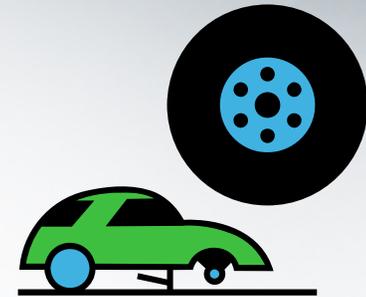
- National Traffic and Motor Vehicle Safety Act of 1966
49 U.S.C. Chapter 301
- FMVSS
- Self Certification – not Type Approval
- Safety-related Defect and Noncompliance Responsibilities
– Note differences and that duties go beyond compliance
- Manufacturer and Importer Obligations
- Penalties
 - \$6,000 each violation
 - up to \$16,375,000 for series of violations



Importers Should Exercise Great Care Selecting Foreign Manufacturers



- Investigate the Supplier's Reputation
 - Internet
 - Other customers
 - U.S. DOC - Company Profile Report
- Registered with NHTSA?
 - designate a U.S. resident as its an agent for service of process
 - identifying information on itself and the products it manufactures to the FMVSS, not later than 30 days after the manufacturing process begins
 - information to decipher the manufacturer's "VIN" format not later than 60 days prior to offering the first vehicle for sale
 - brake hose, glazing (glass), and tire manufacturers must label their products with ID numbers assigned by NHTSA



Importers Should Exercise Great Care Selecting Foreign Manufacturers



- Does the Manufacturer Understand the FMVSS?
 - Avoid infringing on applicable patent
 - If not FMVSS, voluntary industry standards
 - Consider systematic analysis tools
 - Failure Modes and Effects Analysis
 - Accredited test lab to evaluate product's FMVSS compliance
 - Create records that identify changes in the:
 - product's design
 - production process
 - For traceability or recall reasons, changed products can be identified by being marked or stamped with “date” or “lot” codes

Importers Should Inspect Foreign Manufacturing Facilities



- Personally Visit the Supplier's Facility
 - Several trips to objectively evaluate the company, its factory, and its management
- Avoid Reliance on Representatives such as Trade Groups
- Hire a Consultant, if Needed
- What Quality Control Mechanisms are in Place?



Importers Should Inspect Foreign Manufacturing Facilities - Continued



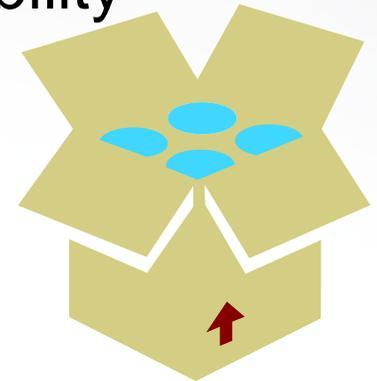
- Counterfeit Commodities or Evidence of Trademark or Copyright Violations?
- Agree on Who Will be Responsible for Conducting Recalls and What Constitutes Substandard or Defective Products
- Written Contract – Legal Advice
 - Inspection and testing procedures, any documentation, production equipment, product traceability measures, recording test data, payment, performance standards, timelines, rights to visit the production facility



Importers Should Inspect Goods Either Before They Are Exported to or Distributed in the U.S.



- Monitor How Well the Products Meet Given Specifications
- Institute a Quality Control Program at the Outset
- Quality vs. Compliance with FMVSS & Defects
- Consider Consortium Purchasing for Compliance Testing
- Factors that Can Affect Product Safety or Usability
 - Packaging and shipping
 - Adequate assembly and test instructions



Importers Should Inspect Goods Either Before They Are Exported to or Distributed in the U.S. - Continued



- If Quality Control Problems Encountered:
 - Determine what has caused the problem
 - Collaborate with the manufacturer, etc. to remediate the cause and prevent similar future problems
- Don't Assume That the Overseas Operations Will Run by Themselves – Visit Frequently
 - Verify manufacturer complying with contract, inspect facilities, production operations, inspection and test records, supplies, audit results, etc.



Importers Should Identify the Origin of Products to be Imported



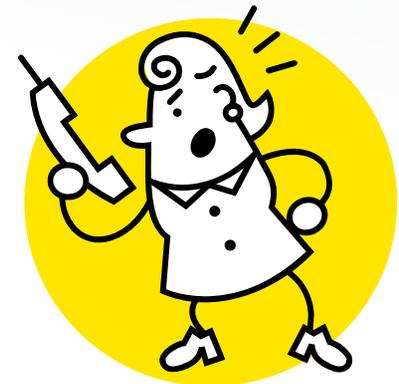
- Imported Products Must be Properly Marked With Their Country of Origin
- May be Subject to Additional Duties & Penalties
- Products May be Destroyed or Required to be Exported, if Not Properly Marked
- May Lead to Prosecution - Removes, Destroys, Alters, Covers, or Obliterates



Importers Should Establish a Consumer Service Program



- Why? If Complaint is Satisfactorily Handled
- Quickly Identify Quality Control Problems
- Allows the Importer to Remedy Before Widespread
- What Elements?
 - Informing consumers – manuals, avoid hazards
 - How to obtain service
 - Records system identifies numbers, models, dates
 - How importer will respond to defects



Importers Should Contact NHTSA Concerning Compliance or Defect Issues



- Goal
 - Assure FMVSS compliance and absence of safety defects for imported motor vehicles and equipment
- How Will We Get There?
 - A collaborative effort - Importer Community, Public, Manufacturers, & NHTSA
- NHTSA Will Provide a List of Agency Resources to Address Best Practices Questions

What's Next?



- NHTSA Federal Register Notice
- Comments Requested From:
 - Public, importing community, and fabricating manufacturers
 - Accreditation and certification bodies
 - Professional organizations with interests relating to best practices
 - Those experienced in:
 - Monitoring engineering design and manufacturing processes and facilities
 - Recordkeeping
 - Conducting independent FMVSS testing
 - Assessing defects and noncompliances and corrective actions
 - Facilitating continual process improvements





QUESTIONS?