



May 2, 2016

Mr. David Sparks
Director
Office of Odometer Fraud
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Docket No. NHTSA-2016-0037

Mr. Sparks:

The National Salvage Vehicle Reporting Program (NSVRP) is a leading not-for-profit law enforcement support organization dedicated to reducing auto theft, title fraud and abuse and to helping control criminal activities related to the exportation of stolen and fraudulently obtained vehicles. NSVRP works closely with the U.S. Department of Justice (DOJ), the FBI, U.S. Customs and Border Protection, state governments and other parties to help further our mutual objectives. In addition, NSVRP is recognized by DOJ as an independent third party voluntary standards body for the National Motor Vehicle Title Information System (NMVTIS), which was created as a result of the Anti-Car Theft Acts of 1992 and 1996. NSVRP's board is comprised of representatives of local and national law enforcement organizations.

NSVRP commends NHTSA for its commitment to moving electronic odometer disclosures forward. As the agency is well aware, an electronic form of ownership verification of all vehicles from manufacture through end of life can minimize potential errors that come from paper handling, reduce investigative and administrative efforts by states, and contribute to environmental efforts while cutting costs by reducing paper, printing and postage. E-titling will also go far in reducing many types of vehicle fraud commonly committed upon the public, not only by keeping paper titles out of the hands of parties who might use the paperwork to resell a vehicle that is not legally theirs to sell, but also by addressing some of the systemic problems in titling and branding that support the types of fraud that are able to occur when sellers avoid required reporting and when vehicles titles are 'skipped' when owners take possession through purchase and fail to retitling the vehicles in their name.

There are many state title transactions that currently are allowed to take place without reporting the transactions back to a state before a subsequent transaction is allowed to take place. These include dealer-to-dealer transfers and some consumer-to-dealer transfers. Sometimes these exceptions have been advocated for by groups based upon claims of economics and enhanced ability to engage in commerce. NSVRP has noted that in many cases these loopholes have created opportunities for title skipping and title branding avoidance. In effect, there has been a loophole created by distinguishing between the need to record all transfers and the requirement to report those transfers, and in some cases a presumed recording on the back of a title at the time of transfer has been determined to be seen as complying with the Act. As we well know this recording has not always taken place,

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sometimes resulting in skipped titles, or situations in which the recordings may have not included the mileage at the time of transfer.

NSVRP has also noted that ownership control events such as insurance total losses, wholesale dealership transfers, consumer trade-ins or charity donations are deemed 'transfers' for purposes of the odometer statutes, and that with the advent of electronic transfers and e-odometer all such transactions will have to be recorded electronically and immediately since the recording would no longer be via a paper transaction. Since with an electronic transfer there is no need for a delay, then any justification for retaining these reporting exemptions ought to be considered a violation of the requirements for recording and reporting of all transfers. We urge NHTSA to require all these transactions to be determined to be subject to immediate recording and reporting under the Act.

NSVRP worked closely with AAMVA in reviewing and providing feedback to its Electronic Odometer Disclosure Task Force Report of June 2014. NSVRP has also included recommendations that we believe should be considered and incorporated as a national e-titling roadmap is developed. Those recommendations can be found on pages 19 through 22 of the attached NSVRP ["Comprehensive Vehicle Branding and Total Loss Best Practice Guide."](#)

In the e-odometer Notice of Proposed Rulemaking, NHTSA proposes to extend an existing exemption for vehicles more than 10 years old to vehicles 25 years old. NSVRP has long been a vocal proponent of extending the model age of vehicles for which odometer reporting is a requirement upon transfer. We believe that there is no justification to retaining the 10 year recording limit. In point of fact, the older the vehicle, the more likely it is that there will be risks to the public from non-disclosure of transfers and odometer discrepancies. Today, with the average age of vehicles on the road at over 11 years, it is likely that the majority of vehicles are exempted and therefore not covered as a result of the 10 model years of age cut-off for required reporting.

This proposed rule provides the opportunity to correct a weakness that was introduced when the coverage was previously reduced. We would request that the change be made to apply to both electronic reporting and to paper transactions. If the rule were only changed for electronic records, then NSVRP could envision attempts to circumvent the intent by transferring e-titled vehicles to jurisdictions not participating in e-titling, converting it back to a paper record and therefore ensuring it is no longer subject to the restored 25+ year reporting requirement. Once converted to paper, it would be likely that a retransfer through paper would allow the 'washing' of the extended mileage reporting. Only through consistency between electronic and paper requirements would it be practical to eliminate these kinds of loopholes.

As you noted in a March 2012 presentation on e-odometer disclosure, the "greatest deterrent to vehicle fraud is transparency in a vehicle's history." With e-titling's presumption of 'one vehicle, one title,' there is no paper record retained and it is therefore through an e-titling transaction alone that all information is recorded, even that which might previously have been retained by parties involved in the transfer to later be reported to the state.

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With regard to the exact number of years to which the exemption should be extended, NSVRP would be supportive of reverting back to requiring e-odometer reporting for the zero to 25 model year age span initially intended when the Motor Vehicle Information and Cost Savings Act was enacted in 1972. Another option could be to require all vehicles manufactured beginning no later than 1986, when Congress enacted the Truth in Mileage Act. We certainly would also be supportive of that approach as even more protective of the public interest.

By implementing an effective e-title process, the concept of a multiple transfer title document such as presently exists in many states and which NSVRP has seen as a major contributing factor to title branding avoidance abuses, title skipping and title washing would be substantially reduced, so long as its reporting requirements conform to federal reporting definitions. Furthermore, were the e-titling required to take place at the time of the event subject to that reporting requirement, we would avoid the massive delays often seen in submission of documents to states. Eliminating these lags will tighten up the system and will also reduce the major opportunities for fraud that occur in the commerce of used and salvage vehicles.

Additionally, the Odometer Act requires the reporting of transfers. These are defined broadly, and NSVRP does not believe that the federal regulations allow the states latitude to create state loopholes and exemptions. NSVRP notes that the public is currently greatly endangered by unremedied vehicle safety recalls, and that presently many of these recall initiatives are suffering from prolonged and limited success – especially for older vehicles. Some of the problems that the manufacturers are having in closing out older vehicle recalls are the result of limited information on the current ownership of these vehicles. E-odometer requirements that eliminate reporting exemptions based upon year model cut-offs would greatly assist in enhancing the effectiveness of recalls and protect the public. It would also greatly reduce the overall costs of performing these recalls as well as accelerating the successful closeout of the recalls for the public.

Finally, implementing an e-titling system which ensures to the greatest extent possible reporting of all title transfers and other required transactions will, NSVRP believes, capture a very significant number of transactions that at present are not recorded or recognized, resulting not only in a reduction in fraud but also in a substantial increase in collections of lost taxes and fees that presently escape detection due to lack of reporting under the current system.

NSVRP believes that a universal e-titling system is in the best interest of all entities focused on maintaining accurate records of all vehicles, controlling costs and reducing fraud. We applaud NHTSA's work to date and appreciate the opportunity to provide input on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Howard Nusbaum', written over a white background.

Howard Nusbaum
Administrator, NSVRP

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