

## Why GAO Did This Study

In 2010, auto manufacturers recalled more vehicles than any other year, according to the National Highway Traffic Safety Administration (NHTSA), the federal oversight authority for vehicle recalls.

However, many recalled vehicles are never fixed, posing a risk to vehicle operators, other drivers, and pedestrians. After the recent recalls of Toyota vehicles, Congress raised questions about the auto safety defect recall process, including the sufficiency of NHTSA's oversight authorities and whether vehicle owners are being effectively motivated to comply with recalls.

In response, GAO reviewed laws and documents and interviewed NHTSA and stakeholders about the (1) extent of NHTSA's role in the recall process, and how its authorities compare to selected federal and foreign agencies that oversee recalls; (2) benefits and challenges of the recall process for NHTSA and manufacturers; and (3) options for improving the recall process. GAO also conducted focus groups with vehicle owners to better understand their perspectives.

## What GAO Recommends

GAO recommends that NHTSA (1) modify requirements for notification letters; (2) enhance and publicize its Web site (3) better use manufacturers' data; and (4) seek legislative authority to notify potential used car buyers of recalls.

NHTSA agreed to consider GAO's recommendations.

View [GAO-11-603](#) or key components. For more information, contact Susan A. Fleming at (202) 512-2834 or [flemings@gao.gov](mailto:flemings@gao.gov).

## AUTO SAFETY

### NHTSA Has Options to Improve the Safety Defect Recall Process

## What GAO Found

NHTSA monitors manufacturers' recall campaigns and completion rates (the number of defective vehicles that are fixed) and provides information and guidance to the public. NHTSA is responsible for reviewing the planning and implementation of recall campaigns to ensure compliance with legal requirements. To this end, the agency is responsible for reviewing, among other things, the manufacturer's description of vehicles affected by a safety defect, actions the manufacturer plans to take to remedy those vehicles through a recall, and notification letters the manufacturer plans to send to the vehicles' owners. NHTSA also monitors the effectiveness of manufacturers' recall campaigns, based in large part on the data manufacturers are required to submit on completion rates. In addition, the agency provides information and guidance to the public on recalls, primarily through its Web site. NHTSA generally has similar authorities to those of selected federal and foreign agencies GAO reviewed that oversee recalls—the Consumer Product Safety Commission, the Food and Drug Administration, the U.S. Department of Agriculture, and agencies in Canada, Germany, Japan and the United Kingdom—although some differences exist in how they can implement their authorities.

Auto industry stakeholders are generally satisfied with the recall process, but several challenges may affect recall completion rates, and thus, the number of defective vehicles that are removed from the road. Manufacturers cited NHTSA's role in the process as a key benefit, reporting clear requirements and open communication. Although franchised dealerships had some concerns related to manufacturers' communication and availability of repair parts, they were also generally satisfied with how manufacturers reimbursed them. Nevertheless, NHTSA faces challenges that may affect recall completion rates; for example, focus group participants reported that 1) they preferred notification letters with certain elements and may be more likely to comply if the letters included the VIN number and clarified the severity of the defect and 2) they were unfamiliar with NHTSA's primary means of communicating defect information to the public—its Web site. Furthermore, according to GAO's review, although recall completion rates vary considerably by certain factors, NHTSA has not consistently used the data it collects to identify which factors make some recalls more successful than others. Finally, NHTSA does not have authority to notify potential used car buyers of a defect.

Based on these challenges, NHTSA has the following and other options for improving the recall process and, more importantly, recall completion rates. First, NHTSA could modify the way manufacturers must present information in safety defect notification letters and publicize information resources, like NHTSA's Web site, so that vehicle owners are better motivated and informed. Second, NHTSA may be able to use manufacturers' data to identify what factors make some recalls more or less successful than others to better target monitoring of recall campaigns and identify best practices. Finally, expanding NHTSA's recall authorities may help identify more defective vehicles and improve recall completion rates.