



United States
General Accounting Office
Washington, D.C. 20548

Reach 133827

Resources, Community, and
Economic Development Division

B-223360

September 3, 1987

The Honorable John D. Dingell
Chairman, Committee on Energy and Commerce
House of Representatives

Dear Mr. Chairman:

This is to provide you our views on H.R. 2628, the Imported Vehicle Safety Compliance Act of 1987, which would make various amendments to the National Traffic and Motor Vehicle Safety Act of 1966 regarding the importation of motor vehicles that do not meet U.S. safety standards, so-called "gray market vehicles". While most of the amendments affect the National Highway Traffic Safety Administration, one amendment places a mandatory reporting requirement on the General Accounting Office (GAO). We believe that the reporting provision will not serve the best interest of the Congress and that similar reporting results can be achieved under existing statutes.

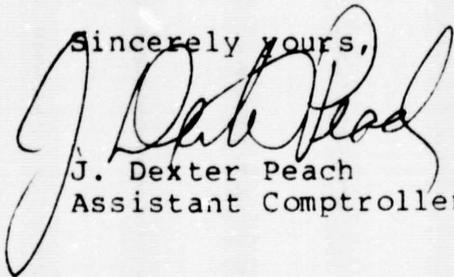
Section 2 (f) (3) requires that GAO conduct a review of all aspects of the gray market vehicle importation program and submit a report on the review to the Congress. The review is to be based on not more than 3 years experience under the program and is to place special emphasis on (1) the extent to which motor vehicles imported under the program are fully in compliance with applicable Federal motor vehicle safety standards when released to operate on public roads, streets, and highways, (2) whether safety considerations warrant extension of the program, and (3) the administration and enforcement of the program (including actions relating to discovery, notification, and remedy of defects required by such program and the adequacy of the fees) by the Secretary of Transportation.

As you know, under 31 U.S.C. 717, we will perform reviews requested by committees having jurisdiction. We believe this arrangement, in lieu of a specific legislative requirement, would be mutually advantageous since it would permit us to discuss and reach agreement with the committee on the scope of

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our audit and the report timing, and thus concentrate on matters of greatest concern to the committee. We would be happy to discuss reporting needs with the committee staff at any time.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. Dexter Peach". The signature is written in dark ink and is positioned above the typed name and title.

J. Dexter Peach
Assistant Comptroller General