



Consumer Federation of America

**Statement of
Jack Gillis, Executive Director, Consumer Federation of America
and author, *The Car Book*
on the
On the 40th Anniversary of NHTSA New Car Assessment Program
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My name is Jack Gillis and I am the executive director of the Consumer Federation of America and author of *The Car Book*, originally published by the U.S. Department of Transportation, and now published by the Center for Auto Safety. As we acknowledge the 40th anniversary of the NCAP program, we are preparing the 40th edition of *The Car Book*.

Few federal agencies have a greater impact on the public and personal health of Americans than the National Highway Traffic Safety Administration (NHTSA). And few programs have done more to improve vehicle safety than NHTSA's crash test program. By simply publishing these test results, which we set out to do nearly 40 years ago, we were finally able to get the manufacturers to compete on safety performance. That's the good news. The bad news is that a major overhaul of the NCAP testing procedure is long overdue. The program has stalled in neutral. The star rating system has resulted in "starflation" with most vehicles getting virtually the same star rating. This has essentially taken away a consumer's ability to separate the lemons from the peaches—the whole purpose of the program. A revised NCAP is needed to reinvigorate competition on occupant protection and significantly improve vehicle safety.

And why is this so important—because before today is over there will be over 17,000 motor vehicles crashes resulting in over 100 deaths and more than 7,500 injuries. And while each year the economic cost is in the billions, the cost in personal tragedy is immeasurable.

Why is NCAP program so important? Because combined with simple disclosure, the crash test results have enabled the American consumer to vote with their dollars for better performing, safer vehicles. Prior to NCAP, consumers had no idea which vehicles would protect them in a crash. Because we had no ability to make purchase decisions based on crash test performance, manufacturers had no incentive to improve their vehicles.

By providing consumers with the ability to differentiate between the safety performance of vehicles, they became far safer than they were before the program began. Tragically, because the program has stalled, and most vehicles now get the same star safety rating, the tremendous market power of NCAP has been neutered.

It's important to remember that NCAP survived a long history of attacks by the car companies. The car companies spent much of NCAP's early years attacking it, claiming that it was inaccurate, ineffective and misleading. Thankfully, due to its strong support by safety advocates and its popularity with the America public, the program survived. Now it's time to revitalize it.

One of the tragic historical ironies of the program is that while domestic manufacturers were the most outspoken critics of the program, NCAP had the potential to benefit them greatly. During the early years of the program, when the U.S. carmakers were feeling intense competition from the Japanese, the very crash test program they were trying to kill, actually provided them with the only competitive edge they had over the Japanese. Initially, the best performers in the NCAP program were the American cars. In a short sighted, but expensive effort, the domestic car makers spent millions trying to kill a program that provided them with a means to excel. On the other hand, accurately sensing that the American car buyer desperately wanted, and would use, crash test ratings, the Japanese went back to the drawing board and changed their poor results into some of the best performers. My guess is that the Japanese manufacturers spent less money doing so than Detroit was spending to kill the program.

However, because of consumer demand, and the market success of good performers, those carmakers that fought the program came around. Today few ads

fail to mention the now too common five star ratings. As Chrysler's Lee Iacocca famously said in full page ads, "You can teach an old dog new tricks."

That is the power of what I call "regulation by information." By giving consumer access to comparative information on crash test performance, carmakers were forced to improve the performance of their vehicles. Sadly, this initially wonderful program has lost the ability to bring about safety improvements. While there have been notable improvements in the program during the past decades—we're essentially testing vehicles the same way we did 40 years ago.

First and foremost, NHTSA needs to address "starflation." NHTSA's star system today does little to differentiate the performance of vehicles because the majority now get the same rating. This has essentially neutered consumer's ability to differentiate the best performers from the worst. That's why, in *The Car Book*, we use the very same crash test data generated by NHTSA to separate performance on a scale of 1-10 so that consumers can identify the truly top performers. NHTSA needs to adopt such a system, as well as increase the speed at which the tests are conducted. 40 years ago, the 35 mph test speed was selected to see which cars exceeded the 30 mph requirements. It is now way past the time when we should increase test speeds. We believe that a program that challenges the manufacturers to post the highest speed at which their vehicle will pass and updated test protocol would set competition for safety on fire.

We also need to combine test results for a unified rating of a vehicle's performance. Again this is something we've been able to do in *The Car Book* and there is no reason why NHTSA shouldn't do the same. Presenting the information in a complete, but simplified, manner is critical to consumers being able to use it in the marketplace.

Vehicle safety design and technology is light years ahead of the current crash test program. NHTSA must move forward and develop new and more sophisticated methods of measuring a vehicle's ability to protect us in a crash and combine that effort with a simple and easily comparable method of presenting those results to the American car buyer. NCAP has proven that "regulation by

information” works, but today the program is stalled in neutral and does little to help consumers make the safest choice possible.

NCAP needs to keep up with the rest of the world not only to insure that Americans have access to the safest cars in the world, but also to keep them globally competitive. Doing so, and publishing differentiated comparative test results, will result in a giant leap forward in the safety of American cars and a significant reduction of the death and injury caused by products most of us depend on every day.

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