

## The TREAD Act

The Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act was passed in the fall of 2000 following the Ford/Firestone crisis. Congress wanted to make tires safer for the motoring public.

The TREAD Act has nine components that affect the tire industry. Below you will find a description of each of the proposals and TIA's positions on each section. The National Highway Traffic Safety Administration (NHTSA) is the government agency responsible for writing these new regulations. To access any of the regulatory proposals and comments submitted to NHTSA, go to: <http://dms.dot.gov> and enter the Docket number found below.

- 1) Tire Labeling Requirements (Docket Number 2000-8296 and 2000-11157) – After the Ford/Firestone crisis and a public outcry on what information is found on the sidewall of a tire, Congress asked the NHTSA to examine and update tire labeling requirements. NHTSA put out a request for information on tire labeling. At the time, TANA conducted a survey of our members to see what tire industry felt the general public knew about their tires. [See TANA's comments submitted about the survey results.]

After initial information was gathered, NHTSA proposed a new tire labeling regulation. They proposed to put the Tire Identification Number (TIN) on both sides of the tire so that consumers and tire technicians could easily find it. NHTSA also proposed that the TIN be reordered so that the plant and date code portion of the TIN moves to the front of the string of characters. TIA opposed both of these proposals. The expense to the manufacturers and the danger to the technicians having to change both sides of a tire mold are not worth the benefits to the consumer. TIA strongly opposed the Rubber Manufacturers Association's (RMA) proposal to remove the maximum inflation pressure and the cord and ply information from the sidewall of a tire. Tire technicians need this information to service and/or recycle tires. [See TIA's comments on the tire labeling proposal.]

- 2) Tire Testing Standards (Docket Number 2000-8011) – The testing standards that a tire must pass in order to be eligible for a DOT code in the United States have not been updated since 1967. Bias ply tires, not radials were the prevalent tire back then, so it is necessary for the

standards to be upgraded. NHTSA published a proposal on December 19, 2001. TIA asked for an exemption for retreaded tires from this proposal. The retread process does not affect the casing so these tests would be redundant. TIA supported the RMA's alternative proposals for high speed, endurance, and low-pressure tests. TIA also opposed aging tests and asked NHTSA to hold off on publishing a test on road hazard impact and bead unseating tests. (These tests were not required by the TREAD Act.) [See TIA's comments on the tire testing standard.]

- 2) Tire Pressure Monitoring Systems (TPMS) (Docket Number 2000-8572) – The TREAD Act mandated that every new car be equipped with a TPMS. NHTSA published their regulation July 24, 2001 and ITRA and TANA submitted comments on September 6, 2001. [See ITRA's comments. See TANA's comments.] The organizations were very concerned that the independent tire dealers are not being given the information they need to install, service and maintain these TPMSs from the OEMs. The organizations were also concerned with NHTSA's proposed definition for underinflation.

The final rule was published June 5, 2002. Unfortunately NHTSA proposed that if a vehicle is using a direct system (with sensors in each tire sending a signal to the dashboard) the TPMS does not have to trigger until the tire is 25 percent below the recommended cold psi. An indirect TPMS (that runs off the anti-lock braking system) does not have to trigger until the tire is 30 percent below the recommended cold psi for that tire. TIA is strongly opposed to NHTSA's supposed "safety" regulation which in effect allows the motoring public to drive on severely underinflated tires. TIA has supported a petition that NHTSA mandate reserve inflation pressure in tires to offset the TPMS rule. [See letter to NHTSA supporting petition.]

- 4) Early Warning Reporting System (EWRS) (Docket Number 2000-8677) – NHTSA has proposed a system that will allow the government to track potential problems in tires by having the tire manufacturers submit data into a new federal database. Information includes tire-related fatalities, injuries, property damage claims, and warranty adjustments. Retreaders are exempt from the reporting requirements except in cases of fatalities. TIA is sure that tire dealers will be less likely to make adjustments to keep customers satisfied, knowing the information will be turned in to the government. TIA is very concerned with the confidentiality of this

information. The TREAD Act in mandating an EWRS stated that unless there was a need for a recall the information would be kept confidential. NHTSA is contemplating making the information available to the public. TIA believes this would be fodder for trial lawyers and information that the general public could easily misinterpret. [See ITRA/TANA joint comments on the EWRS proposal. See TIA's comments on confidentiality.]

5) Safety Recalls in Foreign Countries (Docket Number 2000-10773) – NHTSA now requires that any automobile or tire manufacturer who conducts a recall or “safety campaign” in a foreign country must report that campaign to the U.S. government if the same or similar tires are sold in the U.S.

6) Sale or Lease of Recalled Tires (Docket Number 2000-8509 and 2000-8510) – NHTSA has stated that knowingly selling or leasing a recalled tire is illegal. There are safe harbor provisions for people who accidentally sell or lease a recalled tire. Stiff penalties are in place for individuals that try to sell illegal tires. [See TANA's comments on safe harbor provisions.]

7) Reimbursement Prior to Recall (Docket Number 2001-11107) – If a customer has a problem with or hears rumors about his/her tires and replaces them at his/her own expense, and then a recall is issued, this regulation lays out a timeframe in which the tire manufacturer must repay the consumer.

8) Acceleration of Recall (Docket Number 2001-11108)– In the event of a recall, this proposal allows NHTSA to mandate a competitive product as a substitution if the recalled tire replacement is not readily available. This will help speed up the recall process.

9) Disposal of Recalled Tires (Docket Number 2001-10856) – NHTSA is asking that in the event of a recall, tire manufacturers create a plan for the timely disposal of the recalled tires, rendering them out of service or returning them to the manufacturers for inspection/testing promptly. [See TIA's comments.]

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