

TITLE 4 WILL SAVE JOBS AND MONEY



“Overall, the U.S. automotive supplier industry employs approximately two million workers with operations and facilities in nearly all 50 states. Sales in the U.S. automotive supplier industry totaled approximately \$370 billion in 2002.”

-- Testimony of Jason Bonin, V. P. of Lighting Technology, Hella North America, before House Subcommittee on Commerce, Trade, and Consumer Protection.¹

Job Creation Benefits

An analysis of SAFETEA by the Enhanced Protective Glass Automotive Association (EPGAA) concluded that between 10,000 and 12,000 jobs would be created by the bill at both major manufacturers and safety suppliers.

Enhanced safety will also help to assure the longer-range competitiveness of the automotive industry. Recent books, such as *The End of Detroit*, by Michelin Maynard, point out that unless the domestic auto industry acts quickly to improve safety and quality, they will keep losing market share to foreign manufacturers.

American Consumers Value Vehicle Safety

- According to a JD Power and Associates 2002 study, nine of the top 10 features consumers most desired for their next new vehicle improve vehicle or occupant safety.²
- A study by Maritz Research found that more than two-thirds of consumers say they would definitely or probably buy high-tech safety equipment on their next vehicle.³
- “We’ve learned that safety sells. It sells today. It clearly will sell tomorrow,” National Transportation Safety Board vice chairman Mark Rosenkar told automakers in January 2004.⁴

It is nearly always far cheaper to prevent harm in the first place. For families of crash victims, the most difficult fact is often how little it would have cost to build safety protections into the vehicle.

A Comprehensive Approach Lowers Costs for Consumers and Society

Highway crashes cost the U.S. economy, in direct costs only, \$230.6 billion a year (in 2000 dollars), or \$820 for every man, woman and child in the U.S. The average direct economic cost to society of each death is over \$977,000 and is \$1.1 million for each critically injured member of society.⁵ The figures do not include the costs to families, the untold suffering, or stress of family dissolution following the death of a child.

Society pays almost three-quarters of all crash costs, primarily through taxes, insurance premiums and travel delay. In 2000, these costs totaled over \$170 billion.

Improved Safety Costs Pennies Per Vehicle

Some safety improvements, such as enhancing roof strength, cost very little, because they require mere improvements in design, rather than any new technologies. Others cost mere pennies. In contrast, automaker profit on SUVs is very high, as much as \$8,000 for each Ford Explorer.

\$ Dollars and Sense -- Wholesale Safety Costs per Vehicle

- ¢ *Belt pretensioners: \$2.00*
- ¢ *Laminated safety glass: \$1.40/ window*
- ¢ *Cables to enhance door latch protection: \$1.70*
- ¢ *Automatic door locking via software to reduce ejection: free (programming change only)*
- ¢ *Roof strength reinforcements: \$8 to \$27*

¹ Hearing on Reauthorization of the National Highway Traffic Safety Administration, Washington D.C., March 18, 2004.

² Testimony of Robert Strassburger, Vice President, Safety & Harmonization Alliance of Automobile Manufacturers on the Reauthorization of the National Highway Traffic Safety Administration, before the Subcommittee on Commerce, Trade, and Consumer Protection, Mar. 18, 2004.

³ Edward Lapham, "Most drivers want safety over entertainment," *Automotive News*, Feb. 20, 2004.

⁴ Omar Sofradzjia, "Automakers Told Features Necessary," *Law Vegas Review-Journal*, Jan. 31, 2004.

⁵ Blincoe, L., A. Seay, E. Zaloshnja, T. Millar, E. Romano, S. Luchtner, R. Spicer. *The Economic Impact of Motor Vehicle Crashes, 2000*. (DOT HS 809 446). Washington: NHTSA, May 2002.